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## *Editorial* AS WE SEE IT

It was the Physiocrats in France who two or more centuries ago developed the doctrine that agriculture is *sui generis* among the industries of the earth; it was Franklin Roosevelt who two or more decades ago evolved the political tactic of calling upon the farmers of this country to formulate their own subsidy program—at the expense of the taxpayer. It took the Kennedy Administration longer than usual to formulate its proposed agricultural program, but when it finally appears it proves to be clearly a mixture of the doctrines of the Physiocrats and the political strategy of Franklin Roosevelt. It seems, indeed, to go even further toward giving the farmer a blank check upon the Treasury than did the earlier New Deal plan.

We do not feel warranted in inflicting upon the reader the tedium of any detailed analysis of what the President now proposes. Much of what he has to say is so vague, little is to be gained by trying to analyze his generalizations. Suffice it to say that he apparently has come up with nothing particularly new. He rather seems determined to place upon the shoulders of the farmers themselves the task of formulating programs to achieve impossible ends—albeit he is quite willing to have the taxpayer shoulder the burden of providing the funds for futile efforts. But the subject of agriculture in our industry and our life has once more been placed before the public which, of course, must make final decisions in all such matters.

### Farmers Are Essential

It appears appropriate, therefore, once again to review the place of agriculture in our economy, and to inquire, at the risk of being tiresome, what validity resides in fundamentals which appear to be widely accepted at least in political circles.

In the first place, let the obvious truth be again stated that the farmers perform an essential service to the people of this country by producing food (or the raw materials from which human food (Continued on page 28)

# There's No "Tax Loophole" Present In the Immunity of Municipal Bonds

By Austin J. Tobin,* *Chairman of the Conference on State Defense and Executive Director of The Port of New York Authority*

**States, cities, underwriters and investors are alerted to neo-theories attacking the immunity of tax-exempt financing emanating from the President's economic advisers, Treasury officials, and the C.E.D. Present attacks are said to be as spurious as progenitorial ones. Mr. Tobin briefs economic and constitutional arguments employed; criticizes purpose of recent attempt to tax municipal housing and industrial revenue bonds; and wonders how the new Administration will implement present regulations affecting taxation of municipal bond interest earned by life insurance companies.**

Last year the investment bankers were able to raise over $7 billion for our states and cities through the sale of state and local securities.

All of this financing was based on the proposition that this is a federal government of independent states, that the Tenth Amendment in its guarantee of the reserved powers of the states means what it says and that, therefore, state and municipal bonds are and will continue to be constitutionally immune from Federal income taxes. This proposition is the basis of all municipal financing and of all state and municipal plans to meet the difficulties, the tremendous regional and urban problems, that face our states and cities today. Within the immediate sphere of my own responsibilities, all of the financing plans and the whole program of public terminal and transportation development for the Port of New York—our airports, docks, bridges and tunnels, terminals, interstate commuter railroads and our plans for the continued development of our overseas trade—all are based on the constitutional immunity of Port Authority bonds.

Austin J. Tobin

This foundation of municipal financing has been under repeated attack by the centralists in the Federal Government over the past 25 years. So far the states and cities have succeeded in turning back these attacks on the independence of their fiscal powers.

### Alerted Today

The Conference on State Defense which I have served through the years, first as Secretary and now as its Chairman, has played an active part in this defense of municipal financing. And we are on the alert today, as are all of the organizations devoted to the welfare and preservation of state and local government, to defend the immunity of state and municipal financing from any renewal of the campaign to subject our financing to the taxing power of the Federal Government.

With all other state and local officials, we are anxiously concerned about statements that have been made on this subject by some of the new President's economic advisors. We keep telling ourselves that despite these views the new President will not be swayed by those around him who would destroy the fiscal independence of the states and cities. We hope and believe that he will recognize the destructive impact of a Federal attack on state and municipal financing at a time when his Administration is urging us to take our part in meeting a recession, and urging us to go forward with vast new state and municipal construction programs. It would be difficult indeed to reconcile a program of increased state and local public works on the one hand, with a Treasury Department attack on the very foundation of our financing of these programs.

Secretary Dillon certainly has a full knowledge of the processes of pricing and selling both taxable and tax-exempt securi- (Continued on page 28)

**SECURITIES NOW IN REGISTRATION**—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 33.

# The Security I Like Best . . .

**A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.**

GORDON Y. BILLARD
*Partner, Carreau & Co., New York City*
*Members New York Stock Exchange*

**Texas Gulf Producing Company**

For longer term investors seeking substantial capital gains with minimum price risk and in a position to accept small current return, Texas Gulf Producing should be a foremost choice.


Gordon Y. Billard

The company is a relatively small crude oil and natural gas producer with large domestic per share reserves in the United States. In addition, it holds important concessions in Libya.

Valuing estimated domestic oil reserves of 140 million barrels at $1.00 per barrel and gas reserves of 700 billion cubic feet at 5¢ per m.c.f. and 6 million barrels in Peru at 50¢ per barrel and allowing $10 million for its gasoline plant and other acreage, Texas Gulf Producing is worth close to $50 per share. This includes no value for its rich Libya concessions.

In 1955 Texas Gulf formed a wholly-owned subsidiary—Libyan American Oil — to acquire concessions covering 8 million acres in Libya. Subsequently, the company turned over 49% of its concessions to W. R. Grace & Company in a financial deal. After drilling several expensive dry holes, the company drilled in 1959 Mabruk A1 as its first discovery on concessions 17 and confirmed the well by two other successful tests. Recognizing the difficulties of marketing Libyan oil, Texas Gulf and W. R. Grace concluded an agreement last year to assure marketing of oil. Standard of New Jersey, by agreeing to market production and to spend $6 million for exploration and development received a 50% interest in concessions 16, 17 and 20, with Texas Gulf Producing retaining 25.5% and Grace 24.5%. Since then Esso Sirte—Jersey's operating company in the agreement—has drilled 2 wildcats.

Drilling operations in concession 17 are believed to have resulted in discovery of fabulous reserves. It is too early to estimate with any reasonable degree of accuracy Texas Gulf's equity in reserves in Libya. It might be pointed out, for whatever it might be worth, that one source has estimated that reserves at Mabruk might approximate 1 billion barrels of which Texas Gulf Producing's equity would be approximately 250 million barrels.

Capitalization is represented by approximately 4 million shares which is preceded by about $9.7 million in long-term debt. Earlier this year Grace reported that it had acquired an additional 20,000 shares bringing its holdings up to 74,000 shares. Dividends have been paid each year since 1932 and have been conservative. The present annual rate is 60¢ per share. The common stock is listed on the New York Stock Exchange and in 1956-57 sold at around 50 (now 38-39). Libyan developments are not expected to affect this year's cash flow but should begin to show up in 1962 and in subsequent years. Libyan oil is believed to have a decided cost advantage in serving European and Western markets.

Purchase is recommended particularly on price recessions for longer term workout.

SEYMOUR J. PASSMAN
*Security Analyst, Research Dept., Abraham & Co., New York City*
*Members New York Stock Exchange*

**National Tea Company**

I think it can safely be said that many Americans "Live to eat," rather than the reverse. Food, one of the basic requirements for human existence, continues to enjoy an ever-increasing demand. Thus, higher living standards and the ever-increasing population, make food one of the true "growth" industries in our economy.


Seymour Passman

With sales expected to top $900 million for 1961, National Tea Company (NTY), ranks as the fifth largest operator in the self-service grocery chain field. The company operates about 900 stores in the west, middle west and lower Mississippi Valley, covering a total of 18 states. In addition National Tea has facilities to make coffee, peanut butter, salad oils, preserves, extracts and soft drinks, and operates several meat packing plants. In October, 1960, the company acquired, for stock and cash a chain of 34 bakeries in the Milwaukee area, with annual sales of about $35 million. While these latter operations constitute a relatively small portion of the company's overall business, they do afford a substantially higher profit margin than the main segment of its business, and at the same time allow for a more integrated operation. Further moves along these lines, via additional acquisitions are a distinct possibility.

While growth in the earlier years came mainly from numerous acquisitions, within the past four years the company has conducted a very active program of new large store openings. In part, these have replaced smaller and less profitable units with the remainder being new stores in new areas. In 1959, 69 new stores were opened. A total of 91 small stores were closed, which contributed little or nothing to earnings. A similar program was carried out in 1960. For 1961 and 1962 the company plans to open a total of about 120 stores, 70 of which will replace smaller units and 50 will be new locations. Since 1952 sales per store have risen almost uninterruptedly from $530,000 to about $930,000 at the close of 1960, a gain of about 75%, while the total number of units in operation during the same period increased only 18%. This has been accomplished by opening new stores with an average annual volume of between $1-$2 million, depending upon the location. Capital expenditures for the above program are expected to remain around $13-$15 million, the same on average as in the last five years. No financing is anticipated at least through 1961.

Over the past five years sales have increased close to 40%, to $855 million in 1960, while earnings rose almost 25%, to $8.7 million from $7.0 million in 1956. Net income per share amounted to $1.23 in 1960 as compared with $1.28 in 1959 and $1.33 in 1958. The decline in 1960 earnings resulted mainly from an 11-week meat strike in one of the company's largest operating areas, certain nonrecurring expenses and the continued higher cost of doing business. As a result of these and other factors, net income as a percent of sales declined to 1.0%, not only one of the lowest levels in the past 20 years but one of the smallest margins in the industry among the large operating companies. However, with the absence of the strike and the nonrecurring expenses and continued benefits from the opening of new larger stores, National Tea should be able to bring down close to 1.2 cents per dollar of sales. With sales estimated at somewhat above $900 million, I expect earnings to advance to the $1.40-$1.50 per share level on the 7,050,000 shares currently outstanding.

It is of interest to note that at the current projected sales level, each one tenth of one percent improvement in the margin of profit would increase earnings about $0.13 per share. Despite continued higher operating costs, I would expect to see earnings show further gains over the next few years. This would be accomplished through continued gains in sales and benefits from the store building program which in time will permit somewhat wider profit margins.

In March 1959, the FTC charged that the company had violated the Clayton Anti-Trust Act as a result of various chain store acquisitions. While proceedings have long been delayed, the company claims it has not violated the Anti-Trust law.

I believe the current dividend of $0.80 annually is secure and a small stock extra is a possibility. As of Dec. 31, 1960 the book value was about $11.65 per share.

At current levels of about 20 these shares, listed on the New York Stock Exchange, are reasonably priced both for income and capital appreciation over a period of time. Loblaw Groceterias Co. Ltd., a Canadian grocery chain, owns about 34% of the outstanding stock. The prospect of an eventual merger with Loblaw is a good possibility.

*(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)*

**This Week's Forum Participants and Their Selections**



**Correction on American Electric Power Co.**

In the article by Hubert F. Atwater regarding American Electric Power Co., published in our issue of March 16, we regret that, owing to a typographical error, the reference to a stock split in 1956 was erroneously printed as 3:1 whereas the correct ratio was 3:2.

# Does Stock Market's Course Mirror Business Outlook?

*By* Bernard Shull,* *Associate Economist, Federal Reserve Bank of Philadelphia*

**Fast paced review of myths and truths, and those in between, about the stock market in 1950 contains the sagacious observation "if the market rises beyond reason, it must fall when reason returns. And sooner or later, reason does return." Mr. Shull notes that some of the intoxication of the fifties will be missing in the "so far so-so soaring sixties"; comments on the correlation of the cyclical movements of the stock market and cyclical changes in consumer attitudes; and finds stock financing was substituted for bond financing when yields were rising.**

Over the long pull, as can be seen in the accompanying chart, the economy and the stock market have moved together. The 1950's were a period of economic advance for corporations as well as the economy, and stock market fully reflected this and then some.

Bernard Shull

As the decade wore on, people seemed to become more aware of the market and of the possibilities for making money by investing in stock. The market apparently became more important to more people, to their personal prosperity, and perhaps to the prosperity of the economy. For it is possible that during this period the market became more than merely a mirror of current and expected economic conditions. Conceivably, it was also helping to determine what was coming. The stock market depends on the state of the economy, and the state of the economy depends in part, perhaps, on the stock market. There is an old saying in economics that everything depends on everything else.

### The Market and the Cycle

The belief that the stock market is a good forecaster of general business conditions goes back a long way. Perhaps the classic statement was made by S. S. Huebner in 1922. "Without exception," Mr. Huebner asserted, "every major business depression or boom in this country has been discounted by our security markets from six months to two years before the dull times or the prosperity became a reality."[1]

More recent studies have indeed confirmed the fact that stock prices generally turn down before recessions and up before recoveries, but the relationship has not been so consistent as many once thought. The current belief is that stock market prices frequently lead business conditions and are useful, along with other information, in anticipating the course of the economy; but in and of themselves, stock prices present some difficulties to the would-be forecaster. They do not invariably lead business conditions and consequently they may at times signal changes that never come about, and fail to signal changes that are imminent. In addition, when they do lead business conditions the time of their lead may vary considerably. It has been found that stock market prices have run as far as 21 months ahead of the business cycle. This makes short-term forecasting on the basis of the stock market alone a bit hazardous.

During the 1950's, however, the market was a pretty good signal of coming events. Each recession, including the current slowdown, and each recovery was foreshadowed one quarter to four quarters in advance by the stock market. In all, there were five cyclical turning points in gross national product and all five were preceded by cyclical turning points in the stock market. (It is, of course, easier to see the turns looking back on the data than looking ahead; short-term fluctuations frequently obscure turning points for a considerable period of time.)

Perhaps the most widely discussed explanation of why the stock market leads general business conditions over the cycle is based on a conception of the market "as the pivotal center where thousands of the leading minds of the world [act] on judgements that [have] reference to the future, not the present." Since these "leading minds" generally watch business conditions very closely and frequently have access to inside information, it was reasoned that their collective judgments, as reflected in the stock market, actually discounted the future and accurately forecasted economic change. "It is only natural, therefore, that the rank and file should regard the stock market as a most incomprehensible affair, always going contrary to what is so perfectly evident at the time."[2]

While this explanation does not seem unreasonable on the surface, it implies much about the modern-day stock market that has not been really proved. It suggests that the cyclical market movement is largely determined by sophisticated traders who are interested primarily in short-term gains rather than long-term growth. Some traders may move in out out of the market at the drop of a tip about corporate earnings in the next quarter. Some may try to outguess the market by anticipating the reac-

1 S. S. Heubner, *The Stock Market*, 1922, pp. 36-37.

2 Both quotations are from Heubner, *The Stock Market*, pp. 37, 39.

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# OBSERVATIONS...

BY A. WILFRED MAY

## BEATING THE MARKET—

### Dancer vs. Cartoonist

Back in the summer of 1948, a period of relative stock market calm, the New York courts issued a permanent injunction, booting out of business one Frederick N. Goldsmith. The venerable proprietor of the Goldsmith Financial Service had for 32 years been distributing a market letter on securities and commodities, priced —flexibly—at from $8 to $20 per month, to about 300 brokerage firms and other clients.

The Court sustained the fraud charges against this octogenarian analyst - adviser - tipster on the ground that while representing that his forecasting advice was based on "regular, usually and generally acceptable" sources of statistical information, he actually was selling "valueless" information acquired through spirit-medium contacts with late-lamented market big shots as J. P. Morgan, James R. Keene, and the senior Rockefellers, as well as through discovery of the market moves planned by the powers that be. The latter he acquired by decoding the insiders' signals of their market-manipulation plans as conveyed to each other through the comic strips. (Thus, one of the "Bringing Up Father" cartoons, containing the innocent-appearing wise-crack "the **intermissions** are the only good thing about this show," secretly signaled bullish doings in **Mission** Oil—which "of course" raised its dividend three days later.)

The Court of that time further complained of that author's reversals of previous predictions (presumably including use of the today's Best-Seller's stop-loss order gadget), and actually of his patting - himself - on - the - back for predictions that came out whole (here all the current best-seller books and services).

### Chartists Exempted

Interestingly, the State then indicated that there would have been no prosecution if the defendant had been using the charts with their occult *signaling* media; in lieu of the ouija board and the comic strip.

### The Knock-Out Punch

The former Attorney General's final knock-out punch complained that "the public generally has been and is being irreparably damaged and has no adequate remedy at law"—in face of the fact that Goldsmith's cash customers testified that the comic strip forecasts were "as good, if not better" than those contained in similar market letters. (At the time we gave detailed data in this space evidencing the superior results achieved by the Goldsmith fantasies over the concurrent unhindered purveyors of "Ratio Lines," "Market Triangles with Break-Out Points," "Double and Triple Top" signals, Cycle Theory, Sun-Spotters, and the like.)

Wholly inconsistent with the Court's past finding against the weak and meek Mr. Goldsmith is the present New York County Supreme Court's decision, now being appealed, in favor of the defendants. This decision, favoring Darvas and his publisher, is principally based on the ground that neither the book itself nor the activities in promoting it come within the jurisdiction of the existing statutes. Surely no conclusive nor legal logic would suggest disagreement with the Judge's contention that Darvas, no more than Goldsmith before him, was entitled to exemption from the Martin Act because of nonengagement in selling of securities. Both gentlemen were selling an investing method or "System."

Nonapplicability, if upheld, of the State Law (the Martin Act) and the Federal statute would ignore the fact that Darvas' publisher is registered with the SEC under the Investment Advisers' Act.

### Inconsistency Repeated

And now again we are seeing the major inconsistency between the government's concern over the antics of an individual "beater-of-the-market," and on the other hand the scot-freedom vouchsafed to established services for purveying "winning methods" and other speculation wares.

In both categories of market wizardry the claims of a winning system are epitomized in the accompanying adverising. In such whetting the public's "fast buck" avarice dancer Nicolas Darvas' best - selling volume, "HOW I MADE $2,000,000 IN THE STOCK MARKET," is self-glorified thus (via the jacket). "This man (the author)—who was often performing in remote corners of the world far from Wall Street—was able to make himself a millionaire several times over [the old *past-performance* gag] several times over that worked regardless of whether the market rose or fell . . . a full explanation of the amazingly successful investment methods which brought an actual profit of over $2,000,000 in an 18-month period . . . never before has any private individual revealed his financial dealings so completely and openly —actual dates, profits and losses, and above all, the **specific investment methods** [emphasis original] that cost so much in money and sweat to develop and which finally brought him an astonishing profit of over $2,000,000 in 18 months."

You can read for the first time —the unique Darvas "Box" method for picking the right stocks and the right time to buy them — [actually the routine, widely used by traders since the 1920's based on the premise that a "break-out" of price and/or volume discloses advance "insiders' buying"]. How to use the Darvas "trailing stop-loss insurance" [the stop-order ex-the "insurance" appeal also have been around for almost a century].

Another of the jacket blurbs: "You can read for the first time: What was written on the little card that Darvas carried in his pocket as he walked the streets of Paris all night—the card that kept him from following his brokers' advice to get out of Thiokol with over $250,000 profit. When Darvas did sell, his profit had reached almost $900,000."

What-d'ye-know! For $4.95—or only 50 cents in paper-back, the buyer of this book will find out that the cryptic order "remember Bruce" was the card's inscription —meaning that this market maestro should not be tempted cautiously to sell out too soon.

Also making nonsense (non legally) of the defendants contention that the book is not advisory, but a mere amusing saga of a dancer, is this investing guarantee offer in the accompanying advertising: "Even if you keep the book, you can return it any time within a year and receive unquestioned refund, if not completely satisfied with your **investment results.**"

Is this not the same as the letter-services' "send in a dollar for our secret dope"?

The opus' new paper-back edition is flooding the country, at 50 cents per copy, with the enticing promise "The Book That May Change Your Future."

### Secret Weapons Then and Now

The undisclosed use of prediction gadgets, considered by the Court so important to Goldsmith's guilt, now likewise, exist with Mr. Darvas, where their significance has been overlooked.

Are not the alleged absence of Darvas' claimed huge market profit, and apparent freedom from capital gains tax on the profit total if it is real, also effective Secret Weapons?

### Our Affirmative Proposals

The above indicated inconsistencies and outright short-comings in "How-to" control surely call for realistic deep and long-term consideration.

Pending an ultimate solution, we would suggest that leading newspaper and book publishers meet, via committee, in Washington with the SEC and the Federal Trade Commission to work out adoption of a code of ethics and working rules — perhaps as the Mutual Funds' Statement of Policy—for self-policing.

Coupled herewith, and practically the most effective measure, would be intensified direct education of the reading investor.

This would genuinely "profit" the individual as well as the community in curtailing the market's distortion and inflation.

* * *

P.S.—Believe it or not, Darvas' publishers have just come out with a book of stock market **cartoons** titled "Laugh With Your Investments — 133 Rib-Tickling Cartoons Paying Extra Dividends of Fun;" this volume may fill the 13-year void under which the followers of cartoon - detecting Goldsmith have been suffering.



# FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The first test of President Kennedy's economic program will be the minimum wages and hours bill, expected to come up in the House the latter part of this week or early next week.

The vote should provide a measuring stick of sorts as to how much more the House is prepared to do this year than in 1960 when it buried the measures that have become the nucleus of the President's domestic program.

Issues in the minimum wage fight are virtually the same as last year when a Democratic-Republican coalition pushed through a bill, scaled-down, 211 to 203, then saw it die in conference with the Senate. Since then the Republicans have picked up 20 seats from Northern Democrats. The Democrats have picked up the White House.

The big question is how many conservative Southerners the House leaders and the White House can bring around to stand with the President.

Democratic strategists concede they face an uphill fight and are starting their missionary work nearly 30 votes behind.

In the House legislative scale, minimum wage is considered less difficult to pass than school aid or health for the aged, but tougher than aid for depressed areas and housing.

Each has its own special pressure groups which would switch some votes for or against a specific bill. But a substantial breakthrough or solid resistance on the wage bill would be an important indicator for the future.

A look at last year's key roll call on the wage bill shows where the trouble lies. Eighty of the 99 Democrats of the old Confederacy voted against a bill similar to President Kennedy's. At least three other Southerners who were absent were against it. Ten other Democrats from border and midwestern states also opposed it. Twenty-seven Republicans voted with the liberal Democrats.

Six out of seven Democrats voted against it in Florida and Tennessee. Every Democratic Congressman from Virginia, South Carolina and Mississippi voted against the bill. Eighteen of Speaker Sam Rayburn's fellow Democrats from Texas opposed, and this is the state where President Kennedy will count heavily on Rayburn to pick up needed votes. In no Southern state did a majority of the delegation vote for the approach President Kennedy favors.

The minimum wage bill provides a classic example of the liberal versus conservative, states rights versus Federal action controversy.

The President's bill would raise the minimum hourly wage floor for presently covered workers from $1 to $1.15 now and from $1 to $1.25 in two years. The conservative substitute, which will be offered on the floor by Representative William H. Ayres, Republican of Ohio and Representative A. Paul Kitchin, Democrat of North Carolina, would raise it to $1.15 with no step-up.

The real fight, however, is not over the dollar amount. Most of the workers now covered earn more than either proposed minimum. The main issue is on the formula for new coverage. Hotel and service employes have already been eliminated.

But the Administration bill would bring a 4.3 million additional workers under wage-hour protection. Most would be employes of retail and service businesses. Businesses would be covered that grossed more than $1 million a year.

Conservatives are vigorously opposed to this dollar test.

They contend that it ignores state lines and the constitutional provision that only interstate commerce can be regulated by Federal action.

The Ayres-Kitchen bill would extend wage coverage only to employes of businesses that have five or more outlets in two or more states. This is estimated to reduce the coverage to 1.4 million workers. In addition, the Ayres-Kitchin bill would leave the newly covered workers at $1 and would give them no overtime protection.

As a Senator, and one of the conferees on the bill last year, Mr. Kennedy rejected the Ayres-Kitchen substitute, figuring he would gamble on getting his bill as President.

## Named Director

Alexander M. White, managing partner of White, Weld & Co., New York investment banking firm, has been elected a Director of American Cyanamid Co., it has been announced by Thomas L. Perkins, Board Chairman.

# Florida Land Ownership In Certificate Form

*By Dr. Ira U. Cobleigh, Enterprise Economist*

**A swift look at a number of equities wherein the principal assets and hopes for speculative gain lie in the ownership of broad swaths of Florida land.**

Land speculation is the oldest type. Long before we had stock certificates and corporate organization of our economic society men vied with each other for possession and/or ownership of land. Esau traded his future interest in Pappy's fields for a mess of pottage. The Indians weren't thinking about Wall Street or Radio City when they conveyed the fee to Manhattan for $24. It was a case of scalpers being scalped! Seward's Folly is a phrase we use to describe paying $7.2 million for the 584,000 square miles we now call the State of Alaska.

And so it goes. Whether in earliest Mesopotamia or latest Lincoln Center, shrewd men have always been on the lookout for land, attractive today, and worth more, tomorrow. Comparatively few individuals, however, were land owners until 20th Century America. Now two families out of three own their own home, and tens of thousands of individuals have sought other land holdings for speculation or investment. And to avoid such inconveniences of individual land ownings as search and guaranty of title, need for a lawyer when buying or selling, thin and inactive markets, details of assessments and condemnations many, in recent years, have preferred to own land by buying shares in real estate companies. Nowhere is land ownership, via stock certificates, more popular than in Florida acreage. We'll look at a few examples.

**Alico Land Development Co.**

This is an interesting company created as a share-for-share "spin-off" to Atlantic Coast Line Railroad stockholders in early 1960. There are now 2,631,831 common shares of Alico outstanding, sole capitalization. Shares sold as low as $6 in February, 1960 and around $9 today.

The land owned by Alico is quite a swath—236,516 acres in seven Florida counties. Oil and mineral rights on 183,000 acres are leased, until April 1, 1968, to Humble Oil and Refining Co. About 118,000 acres are devoted to timber production, poles and pilings, pulpwood and other wood products. Over 8,000 head of cattle graze on company land and some 1,600 citrus groves are in cultivation. All this represents an interesting land play in one of the fastest growing sections of the U. S. Good land and strong management.

**Arvida Corporation**

This famous landowner "went public" in December, 1958 with the offering of 2,500,000 class "A" shares at $11. Principal land holdings were a total of 100,650 acres in Palm Beach, Broward and Dade Counties. These lands are being sold either in individual lots in such high class developments as at Royal Palm Yacht and Country Club and University Park, or in larger tracts for subdivision into retail home sites. At Boca Raton there is fine Hotel and Club, and at Delray Beach five hotels and a shopping center.

Development of some of these properties has not proceeded as rapidly as originally expected, and there were recently some changes in top management at Arvida, presumably to expand earnings power of the company at a more rapid pace. In any event, the company has some very choice locations of land, most of it unimproved. It also has a petroleum distribution company, Arvida Oil, which was organized to build and own some 150 service stations throughout Florida. Arvida common represents a reasonably protected speculation in attractive land on the Gold Coast. It all depends on how fast the land is sold and at how high prices. Stock sells around 9½.

**Coral Ridge Properties, Inc.**

This company is in a more mature development stage than the two just cited. It owns the Galt Ocean Mile Hotel at Fort Lauderdale and Ocean Manor, an 11-story luxury apartment property, and other apartment units in Fort Lauderdale. In the same area it owns over 7,000 choice developed residential and commercial lots. Coral Ridge also owns 3,266 undeveloped acres near Sebring and a shopping center, fully leased, with 27 stores at Boynton Beach. On full conversion of the preferred there will be 5.7 million common shares of Coral Ridge Properties, Inc. outstanding. Present price is around 2¼.

**General Development Corporation**

This is the oldest and largest Florida land development company and a leading exponent of sale of home sites, $10 down and $10 a month. Not only does the company sell the land, but it builds the homes at prices ranging from around $7,500 to over $30,000. Aggressive selling of both lots, and houses on them, is being conducted in many states.

General Development has specialized in the creation of whole communities—Port Charlotte with several thousand homes already built on part of the 92,500 original company acreage there; Port St. Lucie with 36,500 acres; Sebastian Highlands 5,100 acres; Pompano Highlands 840 acres; Port St. John 2,700 acres and Port Malabar 2,400 acres. The company also supplies utility services in some of these areas through an owned subsidiary.

General Development, in common with most Florida home builders, has felt a moderate slowdown in recent months. Aggressive selling and certain sectional improvement in land prices suggest that the company may now be heading toward an expansion in earnings and the kind of market enthusiasm which carried GDV to 23⅜ in 1960. There's a 6% debenture convertible into common at $15.50 that you might want to look at, too. The common trades currently at around 12.

**Lefcourt Realty Corp.**

Lefcourt, like General Development, has a program of acquisition of large tracts of land and of putting in the improvements—sewers, water lines, electricity. Although it plans and envisions whole new modern communities with churches, shopping centers, hospitals and community centers, it does little or no buildinig itself, preferring to sell the lots to builders, who complete the communities according to plan.

Principal projects of Lefcourt Realty include Carol City, with homes in the $12,000 to $20,000 price range, and Cape Florida, a more luxurious home development community with considerable waterfront on Key Biscayne, only a short distance from Miami (Dade County).

In Palm Beach County, Lefcourt has laid out Royal Palm Beach as an integrated residential and industrial city expanding, in due course, over the 55,000 acres owned here. Other smaller projects include 700 acres at Boca Raton, and there are some 9,000 acres being developed out of the state.

Altogether Lefcourt's acreage of nearly 75,000 acres, mainly in Florida, is the basis for consideration of the common stock (about six million shares outstanding) now selling around 2⅞ on American Stock Exchange. There are also warrants, running to April 1, 1964, for purchase of common at $5 a share.

**Major Realty Corp.**

This is probably the newest of the significant Florida land companies. It was organized in 1959 to consolidate the interests of some 880 partners holding, at the time, 87 pieces of real estate in 20 Florida counties totaling 65,000 acres. Financing took the form of $7,048,700 in 6% debentures, due Feb. 1, 1967, with warrants attached, permitting holder of each $1,000 bond to purchase 70 shares of common at $5 through Jan. 31, 1965. These debentures plus over $10½ million in mortgages, create a considerable leverage for the common authorized in total amount of four million shares. Common sells currently around 4½.

The Major program is to sell land to large and small builders—sort of a wholesale land merchant. The company is prepared to offer considerable assistance to home builders, and has an aggressive program to attract new industries to its properties. Included in holdings are parcels in or near St. Petersburg, Jacksonville, St. Augustine, Orlando, Tampa, Panama City, Tallahassee and others.

This is by no means a complete list of publicly held Florida land companies. It is merely an outline of some of the larger ones. Before entering any one of these situations you should investigate; get the latest annual report, note the trend of sales and earnings, and the prospects in general for price advance in Florida real estate. General level of land prices there appears to be perhaps 10% lower than prices prevailing a year ago.

## Dominick Firm To Admit Morgan

On April 1, John A. Morgan will become a partner in Dominick & Dominick, 14 Wall Street, New York City, member of the New York Stock Exchange.

## Penland to Be V.-P. Of Rouse Brewer

WASHINGTON, D. C. — John T. Penland will become vice-president and assistant treasurer, effective April 1, of Rouse, Brewer, Becker & Bryan, Inc., Washington Building, members of the New York Stock Exchange. Mr. Penland has been associated with the firm for some time as cashier.

### Robt. Sage Joins Doolittle

NIAGARA FALLS, N. Y.—Robert E. Sage has become associated with Doolittle & Co. as Manager of their newly opened office at 215 Falls St. Mr. Sage formerly conducted his own investment business, Robert E. Sage & Co., in Niagara Falls.

## Morrison Named By First Boston

James C. Morrison, Senior Vice-President and director of The First Boston Corporation, 15 Broad Street, New York City, has been elected to the Executive Committee of the corporation, it was announced by George D. Woods, Chairman. Mr. Morrison is in charge of the company's national sales and distribution organization.

James C. Morrison

Mr. Morrison, who joined the organization in 1931, was elected a Vice-President in 1945 and a director in 1955.

### W. R. Cahill Joins Albert Frank Agency

CHICAGO, Ill.—William R. Cahill has joined the Chicago office staff of Albert Frank-Guenther Law Inc., 1 North La Salle St., as a public relations account executive, it was announced today by Gilbert E. Busch, Vice-President and Director of public relations of the national advertising and public relations agency.

Mr. Cahill for the last nine years has been on the staffs of Chicago public relations firms. Previous to 1952 he was a financial and business writer for *The Wall Street Journal*.

# TAX-EXEMPT BOND MARKET

*By GEORGE L. HAMILTON**

The market for state and municipal bonds has continued easier during the past week as dealers have finally realized that the buildup in new issue volume and secondary offerings is getting out of hand. However, the factors facing the municipal market are more complex than just an overabundance of bonds and are worth more study than just a casual thought.

Semi-official reports have been released to the public almost daily by high officials and leading economists to the effect that the current recession is bottoming out. The eight month decline in industrial production as reported by the Federal Reserve Board came to a virtual halt in February. This coupled with the increased business of durable goods manufacturers was viewed as substantial evidence that the recession was nearing bottom. Work started on private new homes continued to climb in February and new car sales in early March were up sharply from a month earlier. All of these developments gave encouragement for many to believe the recession was touching bottom.

### Other Negative Factors

Another negative factor affecting the municipal market was the status of the Corporate bond market which has had a relatively light new issue calendar but is beginning to build up and is expected to go higher in the near future. The visible supply of Corporate bonds was about $450 million a week ago and has increased to over $900 million this week. This demand for capital funds through the public market cannot possibly help the municipal market.

Another deterrent is U. S. Treasury long-term issues which have been inactive for the past week with prices drifting lower. These issues have not been under any heavy selling pressure but for five straight sessions they have closed lower. The advance refunding offer to holders of $19.4 billion of four shorter-term issues is expected to have no undue impact on this market. However, the Treasury plans to make a new cash offering of some $1-$1.5 billion around the end of March. It may also be necessary to raise more cash before the end of June. The Treasury is also faced with two large maturing issues, one scheduled for April and one late in May. With a large deficit in prospect for the second half of this year, which must be financed, continued demands for money by the Treasury are also in prospect.

The rising trend of stock market prices has also had a bearish effect on municipal bond prices. Should this trend continue, based on the premise of better business ahead, much of the publicity will tend away from bonds and their fixed incomes. All in all the demand for money over the next few months is expected to be substantial and a negative factor for municipal bond prices.

### Municipal Index Continues to Climb

The *Commercial and Financial Chronicle's* high grade state and municipal 20-year bond index is at 3.315% this week as against 3.273% the previous week (March 15). This represents a decline of a little more than one-half point since last week's column and marks the third straight week that our average has declined.

Dollar quoted Turnpike and Revenue bonds are down an average of about one point since last reporting. Trading, however, has been light and orderly.

### Recent Awards

Although the new issue calendar was not a heavy one this week, there were three sizable general obligation issues up for sale. The largest on March 21, involved $62,547,000 Commonwealth of Massachusetts (1962-2010) serial bonds. Although advertised for public bids, only one bid was made for the issue. The consolidated group was managed jointly by The Chase Manhattan Bank, The First National City Bank of New York, Bankers Trust Co., The First National Bank of Chicago, Lehman Brothers, The First Boston Corp., Halsey, Stuart & Co., Inc., and Phelps, Fenn & Co., and included a nation-wide list of dealers and investment bankers. Scaled to yield from 1.60% to 3.85% this issue was in great demand by investors. Upon initial reoffering the entire issue was over-subscribed. The bonds were realistically priced, with the resultant favorable deal for buyer and seller. Yesterday morning a small premium was bid for most maturities.

On Monday, March 20, $12,810,000 Columbus, Ohio, various purpose Limited and Unlimited tax (1963-2001) bonds were awarded to the Morgan Guaranty Trust Co., Chemical Bank New York Trust Co., Kuhn, Loeb & Co., Glore, Forgan & Co., and Shields & Co. group as the second high bidder. The best bid apparently was submitted by the syndicate managed jointly by The First Boston Corp. and The Northern Trust Co., but it was rejected on the legal technicality that the good faith check which accompanied the bid was $6 less than the amount required by Ohio law. It was reported that this error would cost the City of Columbus $32,728 in additional interest charges over the life of the bonds. Priced to yield from 1.90% to 3.85% for various coupons, this issue met with good investor reception. The present balance is reported at about $600,000.

Also on Monday, San Mateo Union High School District, Calif. awarded $3,750,000 general obligation (1962-1981) bonds to the syndicate headed by Blyth & Co. Among the other underwriters in this account were the Security First National Bank, R. H. Moulton & Co., and The Northern Trust Co. The issue was scaled to yield from 1.70% to 3.50% in 1979. The last two maturities were not reoffered. The balance in the account at this writing is $1,325,000.

The State of Rhode Island and Providence Plantations, an infrequent borrower, sold five separate issues of various amounts from 1962-1991 on Wednesday, March 22. The syndicate managed jointly by The First National City Bank of New York and Harriman Ripley & Co., Inc. and which included as majors the Harris Trust and Savings Bank, Kidder, Peabody & Co., Smith, Barney & Co., and The Northern Trust Co. bought four of the issues totaling $9,900,000. These bonds were priced to yield from 1.60% to 3.65%. The fifth issue, a $1,000,000 loan was purchased by the Morgan Guaranty Trust Co. syndicate. At present writing no report on sales is available.

Also on Wednesday the Oyster Bay, New York Central School District No. 3 came to market with $3,000,000 (1961-1990) bonds. The issue was awarded to the group managed by The First National City Bank of New York. Included in this account were the Harris Trust and Savings Bank, Merrill Lynch, Pierce, Fenner & Smith, Inc., George B. Gibbons & Co., Inc., and B. J. Van Ingen & Co., Inc. The bonds were reoffered to yield from 1.60% to 3.75% for 3.60s. Upon initial reoffering about $1,035,000 of the issue was sold.

### Technical Position Improved

The technical position of the municipal market is slightly improved this week. The supply of new issues up for sale is approximately $640 million, down from last week's total of $700 million. The float of municipals as advertised in the *Blue List* today is $432,558,900 as compared to last week's total of $474,211,000. This float may not accurately portray the amount of bonds available, as many bonds have been withdrawn from offering on the hope of a better market.

### Looking Ahead

Although the over-all calendar continues heavy, next week's schedule will see only three issues of importance up for sale. On March 28 the City of Detroit, Mich. will receive bids for $26,715,000 various purpose (1962-1987) bonds. Also on the same day the Washington Suburban Sanitary District of Maryland will consider bids for $10,000,000 various general obligation (1962-1991) bonds.

The final important issue of the week consists of $100,000,000 Commonwealth of Kentucky Veterans Bonus (1962-1990) bonds. Here again the municipal bond fraternity has shown good foresight and there will be but one merged account bid made for this issue.

In the negotiated financing category, the $175,000,000 Massachusetts Turnpike Authority issue is still the only issue on the calendar. This issue is scheduled for late April.

* Pinch-hitting for Donald Mackey.

### MARKET ON REPRESENTATIVE SERIAL ISSUES

| | Rate | Maturity | Bid | Asked |
|---|---|---|---|---|
| California (State) | 3½% | 1978-1980 | 3.75% | 3.65% |
| Connecticut (State) | 3¾% | 1980-1982 | 3.35% | 3.20% |
| New Jersey Highway Auth., Gtd. | 3% | 1978-1980 | 3.25% | 3.10% |
| New York (State) | 3% | 1978-1979 | 3.30% | 3.15% |
| Pennsylvania (State) | 3⅜% | 1974-1975 | 3.10% | 3.00% |
| Vermont (State) | 3⅛% | 1978-1979 | 3.15% | 3.05% |
| New Housing Auth. (N. Y., N. Y.) | 3½% | 1977-1980 | 3.40% | 3.25% |
| Los Angeles, Calif. | 3¾% | 1978-1980 | 3.75% | 3.65% |
| Baltimore, Md. | 3¼% | 1980 | 3.40% | 3.30% |
| Cincinnati, Ohio | 3½% | 1980 | 3.40% | 3.25% |
| New Orleans, La. | 3¼% | 1979 | 3.70% | 3.55% |
| Chicago, Ill. | 3¼% | 1977 | 3.70% | 3.50% |
| New York City, N. Y. | 3% | 1980 | 3.50% | 3.45% |

March 22, 1961 Index=3.315%

## Named Director

Oliver R. Grace has been elected a director of International Railways of Central America, it was announced over the week-end.

Mr. Grace is a partner of the New York City investment firm of Sterling, Grace & Co. and is Chairman of the Hartford, Conn. electronics firm of Andersen Laboratories, Inc.

## Jacques Wolf Heads Dept.

BAYSIDE, N. Y.—Jacques D. Wolf has been named Manager of the Syndicate Department of N. A. Hart & Co., 36-41 Bell Boulevard, it is announced.

Mr. Wolf was formerly with Goldman, Sachs & Co., Bache & Co., and Townsend, Graff & Co. and recently with Corporate Growth Consultants, Inc., as a financial and franchising specialist.

# Larger Issues Scheduled For Sale

**In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.**

### March 23 (Thursday)

| | | | |
|---|---|---|---|
| Baraboo, Wisconsin | 1,485,000 | 1962-1981 | 10:00 a.m. |
| Lubbock, Texas | 2,250,000 | 1962-1981 | 2:00 p.m. |
| New Milford, Conn. | 1,940,000 | 1962-1981 | 2:00 p.m. |
| North Kansas City Sch. Dist., Mo. | 2,000,000 | 1962-1976 | Noon |
| Plaquemines Parish, La. | 4,000,000 | 1966-1981 | 11:00 a.m. |

### March 27 (Monday)

| | | | |
|---|---|---|---|
| Cabrillo Joint Union College Dist., California | 4,000,000 | 1962-1986 | 2:00 p.m. |
| Chelan County, Wenatchee School District No. 246, Washington | 1,052,000 | 1963-1981 | 10:00 a.m. |
| Cullman, Alabama | 1,200,000 | 1962-1991 | 7:30 p.m. |
| Delaware Twp. Sch Dist., N. J. | 2,175,000 | 1962-1980 | 8:00 p.m. |

### March 28 (Tuesday)

| | | | |
|---|---|---|---|
| Adams County School District No. 50, Colo. | 1,500,000 | 1962-1985 | 8:00 p.m. |
| Allegheny County, Pa. | 6,760,000 | 1962-1991 | 11:00 a.m. |
| California Toll Bridge Authority, California | 5,000,000 | 2000 | 11:00 a.m. |
| Detroit City Sch. Dist., Mich. | 10,000,000 | 1962-1987 | 10:30 a.m. |
| Detroit, Michigan | 16,715,000 | 1962-1986 | 10:30 a.m. |
| Fridley, Minnesota | 1,460,000 | 1963-1981 | 7:30 p.m. |
| Greensboro, North Carolina | 2,660,000 | 1962-1985 | 11:00 a.m. |
| Hillsborough County Special Sch. Tax District No. 1, Fla. | 6,000,000 | 1962-1981 | 2:30 p.m. |
| Lexington, North Carolina | 1,000,000 | 1962-1986 | 11:00 a.m. |
| Long Island University, New York | 2,640,000 | 1961-1998 | 10:00 a.m. |
| Olivehain Municipal Water District No. 1, California | 1,400,000 | 1966-1991 | 7:30 p.m. |
| Park Ridge School District, N. J. | 1,125,000 | 1961-1980 | 8:00 p.m. |
| Port of Oakland, Calif. | 3,000,000 | 1964-1983 | 10:00 a.m. |
| Troy, New York | 1,623,000 | 1962-1980 | 2:00 p.m. |
| Washington Sub. San. Dist., Md. | 10,000,000 | 1962-1991 | 11:00 a.m. |
| Wausau, Wisconsin | 1,750,000 | 1963-1982 | 2:00 p.m. |

### March 29 (Wednesday)

| | | | |
|---|---|---|---|
| Dayton, Ohio | 2,800,000 | 1962-1981 | Noon |
| Islip Union Free School District No. 13, New York | 3,770,000 | 1962-1991 | 1:00 p.m. |
| Kentucky (State of) | 100,000,000 | 1962-1990 | 11:00 a.m. |
| Rush, Henrietta, Etc. Central Sch. Dist. No. 1, New York | 1,400,000 | 1962-1987 | 2:00 p.m. |

### March 30 (Thursday)

| | | | |
|---|---|---|---|
| Charleston County, South Carolina | 1,250,000 | 1962-1971 | Noon |
| Louisiana Greater Baton Rouge Port Commission, La. | 2,000,000 | 1962-1978 | 10:30 a.m. |
| Mount Pleasant and North Castle Central Sch. Dist. No. 1, N. Y. | 3,150,000 | 1962-1990 | 2:00 p.m. |
| Wayne County, Road Commission, Michigan | 1,050,000 | 1961-1965 | 11:00 a.m. |

### April 3 (Monday)

| | | | |
|---|---|---|---|
| Imperial Junior College Dist., Calif. | 2,000,000 | 1966-1981 | 2:00 p.m. |
| Jacksonville Expressway Authority, Fla. | 40,000,000 | 2000 | -------- |

### April 4 (Tuesday)

| | | | |
|---|---|---|---|
| Birmingham, Alabama | 6,500,000 | 1963-1990 | 11:00 a.m. |
| Los Angeles Flood Control Dist., Calif | 15,000.000 | -------- | -------- |
| Torrance Unified Sch. Dist., Calif. | 1,000,000 | 1962-1981 | 9:00 a.m. |

### April 5 (Wednesday)

| | | | |
|---|---|---|---|
| Austin Indep. Sch. Dist., Texas | 2,500,000 | 1961-1985 | 10:00 a.m. |
| California | 190,000,000 | 1962-1986 | 10:00 a.m. |
| Crookston Independent Sch. Dist. No. 593, Minnesota | 1,100,000 | 1965-1990 | 4:00 p.m. |
| Findlay City Sch. Dist., Ohio | 4,9[illegible]0,000 | -------- | -------- |
| Jefferson County, Kentucky | 1,715,000 | -------- | -------- |
| King County, Renton Sch. Dist. No. 403, Washington | 2,000,000 | 1963-1981 | 11.00 a.m. |
| Maplewood-Richmond Hts. School District, Missouri | 1,000,000 | 1933-1931 | 8:00 p.m. |
| Pawtucket, Rhode Island | 1,060,000 | 1962-1981 | 11:00 a.m. |
| Pittsylvania County, Virginia | 2,000,000 | 1962-1981 | Noon |

### April 6 (Thursday)

| | | | |
|---|---|---|---|
| Dallas County Road Dist., No. 1, Texas | 2,000,000 | 1962-1981 | 10:00 a.m. |
| Daytona Beach, Fla. | 2,200,000 | -------- | -------- |
| Dodge County, Wisconsin | 1,100,000 | 1964-1980 | 10:00 a.m. |
| Waco Independent Sch. Dist., Tex. | 1,000,000 | 1963-1974 | 1:00 p.m. |
| West Milford Township School District, New Jersey | 1,550,000 | 1963-1982 | 8:00 p.m. |

### April 7 (Friday)

| | | | |
|---|---|---|---|
| Huntington, West Virginia | 2,000,000 | 1962-1977 | 1:00 p.m. |

### April 8 (Saturday)

| | | | |
|---|---|---|---|
| University of Arkansas, Arkansas | 1,672,000 | 1963-2000 | 11:00 a.m. |

### April 10 (Monday)

| | | | |
|---|---|---|---|
| East Orange, New Jersey | 3,950,000 | 1962-1981 | 8:00 p.m. |
| Shaker Heights, Ohio | 1,030,000 | 1962-1981 | 12:30 p.m. |

### April 11 (Tuesday)

| | | | |
|---|---|---|---|
| Center Line, Michigan | 1,075,000 | 1963-1985 | 8:00 p.m. |
| Cleveland, Ohio | 14,520,000 | 1962-1981 | 11:00 a.m. |
| East Hartford, Connecticut | 3,500,000 | 1962-1981 | Noon |
| Erie, Penn. | 2,150,000 | -------- | 11:00 a.m. |
| Newport News, Virginia | 3,200,000 | 1962-1981 | 2:00 p.m. |
| Shreveport, La. | 5,400,000 | 1961-1981 | 10:00 a.m. |

*Interest Exempt from present Federal and Massachusetts Income Taxes*

New Issue

March 22, 1961

# $62,547,000

# Commonwealth of Massachusetts

## 3½% Bonds

**Dated April 1, 1961** **Due April 1, 1962-2010, incl.**

Principal and semi-annual interest (October 1 and April 1) payable in New York City at Bankers Trust Company, in Boston at The First National Bank of Boston, or in Chicago at The First National Bank of Chicago. Coupon bonds in denomination of $1,000, exchangeable for fully registered bonds in multiples of $1,000, but not interchangeable.

***Legal Investment for Savings Banks and Trust Funds in New York State and for Savings Banks in Massachusetts and Connecticut***

***These Bonds,*** in the opinion of the Attorney General of the Commonwealth of Massachusetts, will constitute general obligations of the Commonwealth for the payment of which its ***full faith and credit*** will be pledged, including the authority to levy ***unlimited ad valorem taxes*** upon all of the taxable property within the Commonwealth.

**AMOUNT DUE EACH YEAR AND YIELDS OR PRICES**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| $2,708,000 | 1962 | 1.60% | $2,712,000 | 1972 | 3.10% | $541,000 | 1982 | 3.55% |
| 2,708,000 | 1963 | 1.90 | 2,712,000 | 1973 | 3.20 | 541,000 | 1983 | 3.60 |
| 2,708,000 | 1964 | 2.15 | 2,712,000 | 1974 | 3.30 | 543,000 | 1984 | 3.60 |
| 2,708,000 | 1965 | 2.40 | 2,712,000 | 1975 | 3.35 | 544,000 | 1985-87 | 3.65 |
| 2,710,000 | 1966 | 2.50 | 2,713,000 | 1976 | 3.40 | 544,000 | 1988-90 | 3.70 |
| 2,711,000 | 1967 | 2.60 | 2,713,000 | 1977 | 3.45 | 392,000 | 1991 | 3.70 |
| 2,711,000 | 1968 | 2.70 | 2,713,000 | 1978-79 | @ 100 | 233,000 | 1992-95 | 3.75 |
| 2,711,000 | 1969 | 2.80 | 2,713,000 | 1980 | 3.55% | 152,000 | 1996-99 | 3.80 |
| 2,711,000 | 1970 | 2.90 | 2,541,000 | 1981 | 3.55 | 152,000 | 2000-08 | 3.85 |
| 2,712,000 | 1971 | 3.00 | | | | 153,000 | 2009-10 | 3.85 |

(Accrued interest to be added)

*The above Bonds are offered when, as and if issued and received by us, and subject to prior sale and approval of legality by the Attorney General of the Commonwealth of Massachusetts.*

The Chase Manhattan Bank · The First National City Bank of New York · Bankers Trust Company · The First National Bank of Chicago · Lehman Brothers · The First Boston Corporation · Halsey, Stuart & Co. Inc. · Phelps, Fenn & Co.

Chemical Bank New York Trust Company · Blyth & Co., Inc. · Harriman Ripley & Co. Incorporated · Smith, Barney & Co. · Salomon Bros. & Hutzler · Goldman, Sachs & Co. · Harris Trust and Savings Bank

Continental Illinois National Bank and Trust Company of Chicago · The Northern Trust Company · C. J. Devine & Co. · Eastman Dillon, Union Securities & Co. · Glore, Forgan & Co. · Kidder, Peabody & Co. · Drexel & Co.

Merrill Lynch, Pierce, Fenner & Smith Incorporated · The Philadelphia National Bank · R. W. Pressprich & Co. · L. F. Rothschild & Co. · Blair & Co. Incorporated · The First National Bank of Boston · Mercantile Trust Company

Seattle-First National Bank · Ladenburg, Thalmann & Co. · Bear, Stearns & Co. · Carl M. Loeb, Rhoades & Co. · F. S. Moseley & Co. · Shields & Company · Stone & Webster Securities Corporation

Paine, Webber, Jackson & Curtis · Hornblower & Weeks · A. C. Allyn and Company Incorporated · Equitable Securities Corporation · B. J. Van Ingen & Co. Inc. · Wertheim & Co. · G. H. Walker & Co.

Hemphill, Noyes & Co. · Dean Witter & Co. · The First National Bank of Oregon · The Boatmen's National Bank of St. Louis · United California Bank Los Angeles · Weeden & Co. Incorporated · Dick & Merle-Smith · Adams, McEntee & Co., Inc.

W. H. Morton & Co. Incorporated · Barr Brothers & Co. · Coffin & Burr Incorporated · Bache & Co. · Francis I. duPont & Co. · A. G. Becker & Co. Incorporated · J. C. Bradford & Co. · Braun, Bosworth & Co. Incorporated · Geo. B. Gibbons & Company Incorporated

Kean, Taylor & Co. · Alex. Brown & Sons · First of Michigan Corporation · Clark, Dodge & Co. Incorporated · Dominick & Dominick · Stroud & Company Incorporated · Estabrook & Co. · Ira Haupt & Co. · Hayden, Stone & Co.

Hirsch & Co. · Laidlaw & Co. · Lee Higginson Corporation · W. E. Hutton & Co. · The Marine Trust Company of Western New York · Reynolds & Co. · R. S. Dickson & Company Incorporated · Roosevelt & Cross Incorporated · Shearson, Hammill & Co.

F. S. Smithers & Co. · Tucker, Anthony & R. L. Day · Wood, Struthers & Co. · Gregory & Sons · Bacon, Stevenson & Co. · Wm. E. Pollock & Co., Inc. · Fitzpatrick, Sullivan & Co. · American Securities Corporation

E. F. Hutton & Co. Incorporated · Harkness & Hill Incorporated · Townsend, Dabney and Tyson · Baxter & Company · First National Bank in Dallas · Spencer Trask & Co. · State Street Bank & Trust Co. Boston, Mass. · Industrial National Bank of Providence

City National Bank & Trust Co. Kansas City, Mo. · Commerce Trust Company Kansas City, Mo. · The Ohio Company · J. A. Hogle & Co. · Chas. E. Weigold & Co. Incorporated · Bacon, Whipple & Co. · William Blair & Company · R. H. Moulton & Company

Branch Banking & Trust Company Wilson, N. C. · Eldredge & Co. Incorporated · King, Quirk & Co. Incorporated · Rand & Co. · Fidelity Union Trust Company Newark, N. J. · National State Bank Newark, N. J. · Tripp & Co., Inc. · Goodbody & Co. · Baker, Watts & Co.

Granbery, Marache & Co. · Robert W. Baird & Co. Incorporated · Bartow Leeds & Co. · Blunt Ellis & Simmons · Bramhall, Falion & Co., Inc. · Courts & Co. · First Southwest Company · First Western Bank & Trust Company San Francisco

George P. Fogg & Co. · Granger & Company · A. M. Kidder & Co., Inc. · Laird, Bissell & Meeds · McCormick & Co. · Mercantile-Safe Deposit and Trust Company Baltimore, Md. · Newburger, Loeb & Co.

New York Hanseatic Corporation · Rockland-Atlas National Bank of Boston · Swiss American Corporation · Third National Bank in Nashville · Trust Company of Georgia · Tuller & Zucker · Wachovia Bank and Trust Company

Wells & Christensen Incorporated · R. D. White & Company · Robert L. Whittaker & Co. · J. R. Williston & Beane · Robert Winthrop & Co. · Wood, Gundy & Co., Inc. · Arthur L. Wright & Co., Inc.

Chace, Whiteside & Winslow, Inc. · Clayton Securities Corporation · Loker, Sparrow & Co. · Lyons & Shafto Incorporated · White & Company

# DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

*IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:*

**Bank Stocks**—Discussion of outlook—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available are memoranda on **Hammond Organ** and **General Time.**

**Canadian Business Review**—Bulletin — Bank of Nova Scotia, Toronto, Ont., Canada.

**Dynamic Growth Stocks**—Data on 12 issues with interesting prospects—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

**Education Industry** — Survey—Globus, Inc., 660 Madison Avenue, New York 21, N. Y.

**Electronics Industry** — Orvis Brothers & Co., 15 Broad Street, New York 5, N. Y.

**Heavy Construction Equipment**—Analysis—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

**Japanese Stock Market — Survey** —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. **Also available are analyses of Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited (electronics); Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co. (plastics); Yokohama Rubber Co.; and Showa Oil Co.**

**Japanese Market**—Review—Nikko Securities Co., Ltd., 25 Broad St., New York 4, N. Y. Also available are reports on **Taiyo Fisheries, Nippon Suisan, Nichiro Fisheries, Polar Whaling, Hoko Fisheries, Hokoku Suisan Fishing, Nippon Reizo and Honda Giken.**

**Japanese Market** — Review—Yamaichi Securities of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of **Hitachi Ltd., Sato Kogyo Co., Ltd.** and the outlook for the Japanese **Iron and Steel Industry, Paper and Pulp Industry** and **Pharmaceutical Industry.**

**Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.**

**Publishing Industry** — Memorandum — Birely & Company, 1700 K Street, N. W., Washington 6, D. C.

**Savings & Loan Industry**—Report —Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are data on **Copeland Refrigeration** and **Northern Illinois Gas.**

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**Alabama Gas**—Data—Penington, Colket & Company, 70 Pine St., New York 5, N. Y. Also available are data on **Champlin Oil & Refining, Chase Manhattan, Barry Wright Corp.**

**Algoma Steel Corp., Ltd.**—Data—Equitable Securities Canada, Ltd., 60 Yonge Street, Toronto 1, Ont., Canada. Also available are data on **Great Lakes Paper Company Ltd.** and the **Toronto Dominion Bank.**

**Allegheny Ludlum Steel Corp.** — 1960 annual report — Allegheny Ludlum Steel Corp., Oliver Bldg., Pittsburgh 22, Pa.

**American Can** — Memorandum—John H. Lewis & Co., 63 Wall St., New York 5, N. Y.

**American Cyanamid**—Memorandum—Joseph Mayr & Company, 50 Broad Street, New York 4, N. Y.

**American Machine & Foundry** — 1960 annual report — American Machine & Foundry Co., Mr. C. J. Johnson, Secretary, Executive Offices, Rm. 117, 261 Madison Ave., New York 16, N. Y.

**American Smelting & Refining**—Review — Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York 5, N. Y. Also available are discussions of **American Brake Shoe, Champion Paper, Colgate Palmolive, Lukens Steel, Owens Corning Fiberglas.**

**American Tobacco Company**—Report — The Milwaukee Company, 207 East Michigan Street, Milwaukee 2, Wis. Also available are reports on **Avco Corp., Herff Jones Co., Pierce & Stevens Chemical Corp.,** and the **Service Industry.**

**Bekins Van & Storage**—Memorandum—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

**Bzura Chemical Company**—Report —Amott, Baker & Co., Incorporated, 150 Broadway, New York 38, N. Y.

**Carborundum Company** — Report —E. F. Hutton & Company, 7616 Girard Avenue, La Jolla, Calif.

**Caterpillar Tractor** — Comparison with **Chicago Pneumatic Tool**— W. E. Hutton & Co., 14 Wall St., New York 5, N. Y. Also available is a study of **Public Utilities** for Growth.

**Celanese Corp.** — Memorandum—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

**Chicago Musical Instrument Co.**—Memorandum — Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif.

**Christiana Securities Co.**—Report —Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

**Clevite Corp.**—1960 annual report; and 1961 Operations Book containing information on divisions and subsidiaries, products, and operations — Clevite Corp., 16820 St. Clair Ave., Cleveland 10, Ohio.

**Consolidated Foods Corp.**—Memorandum—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y.

**D W G Cigar Corporation** — Review—Hardy & Co., 30 Broad St., New York 5, N. Y.

**Distillers Corp.-Seagrams** — Review—Bache & Co., 36 Wall St., New York 5, N. Y.

**Dominion Tar & Chemical—Memorandum** — Watt & Watt, 6 Jordan Street, Toronto 1, Ont., Canada.

**Dynamics Corporation of America** —Analysis—Herzfeld & Stern, 30 Broad Street, New York 4, N. Y.

**Electro Science Investors Inc.**—Report — Russ & Company, Inc., Alamo National Building, San Antonio 5, Texas.

**Electrolux Corp.**—Memorandum—Goodbody & Co., 2 Broadway, New York 4, N. Y.

**Firth Sterling**—Report—Blair & Co., Incorporated, 20 Broad St., New York 5, N. Y. Also available is a memorandum on **Rapid American.**

**Franklin Electric** — Memorandum —Fulton, Reid & Co., Union Commerce Building, Cleveland 14, Ohio.

**Frisch's Restaurants** — Memorandum—Westheimer and Company, 322 Walnut Street, Cincinnati 2, Ohio.

**Fritzi of California** — Analysis—Hooker & Fay Inc., 221 Montgomery Street, San Francisco 4, Calif.

**General Plywood** — Data—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y. Also available are data on **Southern Oxygen Co.**

**B. F. Goodrich Company**—Analysis—Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y.

**Grayson Robinson Stores Inc.**—Report—A. M. Kidder & Co., 1 Wall Street, New York 5, N. Y. Also available is a report on the **Auto Industry.**

**Hertz Corp.** — Annual report — Treasurer, The Hertz Corp., 660 Madison Ave., New York 21, N. Y.

**Hilton Hotels** — Memorandum—Pershing & Co., 120 Broadway, New York, 5, N. Y.

**Illinois Power Co.**—Memorandum —Woodcock, Moyer, Fricke & French, 123 South Broad Street, Philadelphia 9, Pa.

**Interstate Bakeries Corp.**—Review —Charles A. Taggart & Co., Inc., 1516 Locust Street, Philadelphia 2, Pa.

**Investment Outlook for 1961**—Brochure—Economics Department Bankers Trust Company, 16 Wall Street, New York 15, N. Y.

**Investment Companies**—A Statistical Summary, 1940-1960 — National Association of Investment Companies, 61 Broadway, New York 6, N. Y. (paper).

**Kern County Land Company**—Analysis—Hornblower & Weeks, 40 Wall Street, New York 5, N. Y. Also available is an analysis of **John Sexton & Co.**

**Kerr-McGee Oil Industries Inc.**—Report—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

**Kratter** — Memorandum — Arthur B. Hogan Inc., 4404 Riverside Drive, Burbank, Calif. Also available is a memorandum on **Century Properties.**

**Lanolin Plus** — Analysis — Van Alstyne, Noel & Co., 40 Wall St., New York 5, N. Y.

**Magnetics Inc.**—Analysis—Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

**Maxson Electronics Corp.**—Analysis—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available are analyses of **Servel Inc.** and **Westinghouse Air Brake.**

**Micromatic Hone Corporation**—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

**Miles Laboratories**—Memorandum —Sutro & Co., 460 Montgomery Street, San Francisco 4, Calif.

**National Aeronautical Corporation** —Analysis — Hess, Grant & Remington, Inc., 123 South Broad Street, Philadelphia 9, Pa.

**Navigation Computer**—Memorandum — De Haven & Townsend, Crouter & Bodine, Land Title Building, Philadelphia 10, Pa.

**Nicholson File** — Report — Schirmer, Atherton & Co., 50 Congress Street, Boston 3, Mass.

**Northwest Bancorporation** — Report—Reynolds & Co., 120 Broadway, New York 5, N. Y.

**Ohio Oil Co.**—73rd annual report —The Ohio Oil Co., The Secretary, Dept. E, Findlay, Ohio.

**Olin Mathieson Chemical Corp.**—Analysis—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

**Olin Mathieson Chemical Corp.—Bulletin**—Evans & Co., Incorporated, 300 Park Ave., New York 22, N. Y.

**Chas. Pfizer Co.**—Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

**Precision Transformer Corp.**—Analysis—John R. Boland Co., 30 Broad Street, New York 4, N. Y.

**Public Service Company of Indiana**—Analysis—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

**Public Service of Indiana**—Analysis—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available is a review of **Pauley Petroleum.**

**Singer Manufacturing Company**—Report — Schweickart & Co., 29 Broadway, New York 6, N. Y.

**Southam Company Ltd.**—Analysis —James Richardson & Sons Inc., 14 Wall Street, New York 5, N. Y.

**Sperry Rand Corp.** — Review—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are reviews of **Polarad Electronics Corp., Philco Corp.** and **Schenley Industries.**

**Sperry Rand Corp.** — Data — Oppenheimer, Neu & Co., 120 Broadway, New York 5, N. Y.

**Suburban Propane Gas Corp.**—Review — Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is a memorandum on **Continental Connector.**

**Time Incorporated** — Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y. Also available is a study of the **Stephen Co.**

**Williams Brothers Company**—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago, 3, Illinois.

## A.F.G.L. Elects Adams to Board

John W. Adams, Jr., a Vice-President and advertising account executive with Albert Frank-Guenther Law, Inc., has been elected to the board of directors of the national advertising and public relations agency, it was announced by Howard W. Calkins, Chairman.

John W. Adams, Jr.

Mr. Adams succeeds the late Richard A. Cullinan on the board.

Before joining AF-GL in 1947, Mr. Adams was assistant advertising director for Dictaphone Corp. for two years, prior to which he served briefly as copy writer and account executive at L. E. McGivena Inc., a New York advertising agency.

## Kamen to Admit

Kamen & Co., 25 Broad St., New York City, members of the New York Stock Exchange, on March 16 will admit Edward E. Benedict to limited partnership.

## With California Inv.

LOS ANGELES, Calif. — Francis X. Mullin has become affiliated with California Investors, 3932 Wilshire Boulevard, members of the Pacific Coast Stock Exchange.

## Drasdo Named V.-P. Of Capital Research

Albert P. Drasdo has been elected a Vice-President of Capital Research & Management Co. He has been associated with this investment advisory firm for over 20 years. He also is a Vice-President of American Mutual Fund and Investment Co. of America.

## A. G. Edwards Branch

LAKELAND, Fla.—A. G. Edwards & Sons has opened a branch office at 122 Main Street, West, under the management of Linton H. Terry, Sr., and Linton H. Terry, Jr.

## To Be Newborg Partner

On April 1 William Friedman will become a partner in Newborg & Co., 25 Broad Street, New York City, members of the New York Stock Exchange.

# The State of TRADE and INDUSTRY

*Steel Production*
*Electric Output*
*Carloadings*
*Retail Trade*
*Food Price Index*
*Auto Production*
*Business Failures*
*Commodity Price Index*

The following national summary of general business and financial conditions will appear in the March issue of the *Federal Reserve Bulletin:* Industrial production was unchanged in February. Nonagricultural employment declined, but the rate of unemployment remained at about the December-January level. Retail sales advanced. Commercial bank credit and the money supply increased. Between mid-February and mid-March, common stock prices rose, on balance.

### Industrial Production

Industrial production in February was 102% of the 1957 average, unchanged from January. While production of materials declined slightly further, output of final products was maintained. Among consumer goods, increases in television sets, radios, and some appliances were about offset by further decreases in autos and furniture. The decline in auto assemblies was 6%, compared with 20% in January; current production rates suggest some additional decrease in March. Output of business equipment, after declining 5% from the mid-1960 level, was maintained in February.

Iron and steel production increased further but output of automotive parts, construction materials, and some other durable materials continued to decline. Output of nondurable materials was unchanged.

### Construction

The value of new construction activity declined slightly further in February to a seasonally adjusted annual rate of $54.4 billion. While private residential construction continued to decrease, most other types of construction changed little.

### Employment

Seasonally adjusted employment in nonfarm establishments declined in February, with reductions in manufacturing, mining, construction, transportation, and trade. State and local government employment continued to rise. In manufacturing, layoffs were centered in automobiles and other durable goods lines. Average weekly hours and earnings in manufacturing were unchanged. The seasonally adjusted unemployment rate, at 6.8% of the civilian labor force, was about the same as in December and January.

### Distribution

Following three months of decline, retail sales increased slightly in February as sales at department and other general merchandise stores rose substantially. Sales of autos remained at the reduced January rate. In February, as in January, dealers' stocks of autos changed little in contrast with the usual seasonal increase.

### Commodity Prices

The wholesale commodity price index declined slightly from early February to early March, reflecting decreases in prices of foods, mainly meat and eggs. Prices of steel scrap and some other sensitive industrial materials advanced but prices of most industrial commodities were stable.

### Bank Credit and Reserves

Total commercial bank credit increased contraseasonally in February. Loans expanded substantially, mainly reflecting purchases of consumer instalment receivables from one large retailer. Business and security loans rose moderately at city banks. Holdings of U. S. Government securities declined less than usual and holdings of other securities continued to increase. The seasonally adjusted money supply, on a daily average basis, rose further by $700 million.

Member bank borrowings from the Federal Reserve averaged about $110 million and excess reserves $640 million over the four weeks ending March 8. Borrowings were higher and excess reserves were lower than in the preceding four weeks. During the four weeks ending March 8, the gold stock declined further; the decrease, however, was considerably smaller than in other recent periods. Federal Reserve System holdings of U. S. Government securities declined $70 million as a reduction in short-term securities was offset only in part by an increase in issues of longer maturities. Required reserves declined, although less than they usually do in this period.

### Security Markets

From mid-February to mid-March, yields on Treasury securities showed some decrease on balance. Yields on corporate bonds also declined while those on state and local government bonds increased. On March 15, the Treasury announced an advance refunding of four issues maturing in 1962 and 1963. Holders will have the option of exchanging up to $8 billion of outstanding securities for two new issues maturing in 1966 and 1967.

Common stock prices rose to new highs in early March, then declined slightly. Trading activity has been heavy—averaging over five million shares a day since mid-February.

### Bank Clearings for Week Ended March 18 were 5.9% Above Same Week Last Year

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by *The Chronicle*, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, March 18, clearings from all cities of the United States from which is it possible to obtain weekly clearings was 5.9% above those for the corresponding week last year. Our preliminary totals stand at $30,386,326,164 against $28,687,879,409 for the same week in 1960. Our comparative summary for the leading money centers for the week ending March 18 follows (000's omitted):

| | 1961 | 1960 | % |
|---|---|---|---|
| New York | $17,593,183 | $15,335,159 | +14.7 |
| Chicago | 1,412,800 | 2,395,901 | + 1.2 |
| Philadelphia | 1,143,000 | 1,188,000 | — 3.8 |
| Boston | 840,585 | 826,840 | + 1.7 |

### Small Pickup in Automotive Steel Buying Orders is Causing Upturn In Steel Market

A small pickup in automotive steel buying is strengthening the mild upturn in the steel market, *The Iron Age* reports.

The fresh orders from automakers are nothing to cheer about in themselves, the magazine points out. But added to a general pickup in steel business, the small improvement of recent weeks continues to advance.

The magazine says one result is likely to be a lengthening of lead times, probably in the next few weeks. This is true in almost all steel grades, with exceptions varying by geographic regions. Examples—In the East, one mill has notified salesman to quote longer lead times on galvanized. In Chicago, one to two-week advance on sheet products is shaping up.

This means some steel users who have relief on a one- or two-week inventory may have to scramble for a brief period in April unless they can adjust their inventories to the longer mill lead times, *The Iron Age* predicts.

This is not likely to be more than a brief flurry, however. In spite of recent gains, the market is still not strong enough for deliveries to pose a lengthy problem. One result might be a boost in sales by steel service centers. Some warehouses are planning boosts in orders, and some have talked about June delivery, the longest lead time mentioned since last March.

The pickup in auto steel orders, while encouraging at the moment, is not enough to add any optimism to the gloomy automotive outlook. Ford and General Motors Divisions may take up to 30% more steel in April than in March or February. But this would still not bring shipments up to the January level.

But, for some time, there have been few cancellations. This indicates steel orders from automakers will follow production schedules. These, in turn, will depend on spring retail sales of new cars. April tonnage now on the books should result in mills improving their operating rates. This, of course, is hedged against possible cancellations.

As a result of these developments, demand continues to rise, but not as decisively nor as fast as indicated. But March is shaping us as the best month for shipments since August 1960.

### Survey Finds Inventories About As Low as They Can go

Inventories of steel users are about as low as they can go—say four out of five respondents to a *Steel* magazine survey released on March 20.

Its survey finds that raw material and finished product inventories stand at low to average, with most manufacturers at "comfortable" levels.

Some users, however, tell *Steel* that a 10 to 15% increase in orders would create inventory hardships in their operations. They say it will take only a slight nudge in industrial consumer demand to start a turnaround in the inventory trend.

This would affect the speed of the steel industry's recovery in the second quarter, the metalworking weekly says. Recovery may be influenced more by the spacing of new orders than by their aggregate tonnage.

If the tapering off of inventory liquidation is accompanied by an orderly upswing in steel buying, steelmakers will accommodate the growing demand by gradually increasing output and without extending delivery promises significantly. They will boost operations from this month's average—55% of capacity—to 60% in April and 65% in May.

But if many consumers start buying at once and send their orders to the mills in bunches, backlogs will accumulate and deliveries will lengthen.

As leadtimes stretch, users who have been living hand to mouth

*Continued on page 32*

# National Economic Goals and New Interest Rate Policy

*By Hon. Douglas Dillon,* Secretary of the Treasury*

**Stabilization of short-term rate around March 7 levels and reduction in long-term interest rates, including mortgages, is put forth as a principal goal of the Administration. Others include: (1) international cooperation in reducing impact of short-term capital flows and improving IMF's capacity for adequate and flexible liquidity for future world growth; (2) not always increasing wages and profits to improve the investor's and worker's lot and (3) stimulating such key areas as housing, municipal and corporate investment. Mr. Dillon makes clear there's no need for extremely low short-term rates, and that the recovery measures pursued will call for the stimulating potential of a larger government budget within a financially orderly framework.**

It is important that we discuss the broad outlines of our economic situation and the economic programs the government should follow in pursuit of our central national objective.

Douglas Dillon

This objective, simply stated, is to preserve and develop the security, freedom and prosperity of the United States within a strong free world. Our economic policies, both domestic and foreign, can be used effectively to serve our central objective if they are directed—particularly at three specific economic objectives which have been a subject of particular concern to this Committee during the past year.

The first national economic obective is that stated in the Employment Act of 1946, namely, the maintenance of a high level of employment or, in the words of the Act, "maximum employment."

During the intervening years, marked at various times by unanticipated price rises, attention shifted to the problem of inflation and reasonable price stability emerged as a second national economic objective.

More recently, a third national objective has received increasing emphasis — to develop economic policies directed at stimulating maximum sustainable rates of growth within our own country and within the economies of our friends and allies.

In pursuing these national economic objectives it is important to keep in mind other national objectives such as national security, a desirable degree of economic freedom, a maintenance of a market mechanism unimpaired by the absence of workable competition, the provision of adequate government services in areas where private action will not suffice, and some equitable distribution of income and opportunity.

It is only realistic to recognize that some courses of policy and action can serve to promote the achievement of certain of our goals at the sacrifice of others. It seems important that we search for and employ those economic policies which are best designed to achieve a maximum of all of these desirable objectives, without unduly sacrificing one at the expense of another.

### Two Major Problems

In moving now, in the year 1961, towards these long-range national economic objectives, we must recognize the urgency of the two major problems immediately confronting us:

*First*, the problem of bringing about a prompt recovery from the present recession and, even more important, a continuing, vigorous expansion in our domestic economy.

*Second*, curing the long standing imbalance in our international payments, and working in concert with other industralized nations toward a more permanent equilibrium.

The simultaneous occurrence of recession and acute balance of payments difficulties posed new and complex problems for the United States last year. The sensitive inter-relationship between our domestic economy and our balance of payments situation can be expected to remain with us in the future. For today we face an international economic situation quite different from anything we have seen for over 30 years. This new situation arose two years ago with the return of convertibility in Europe. For the first time since the thirties all the major currencies of the free world became freely interchangeable for current transactions.

This new situation severly aggravated our balance of payments problem last year and, in turn, it determined the nature of some of our responses to recession here at home.

To begin with, I should like to review briefly the significant developments in our balance of payments in recent years.

Between 1951 and 1957 foreign countries utilized the proceeds of their surpluses, averaging roughly $1 billion a year, to build up needed reserves of dollars. The situation has been quite different since 1957. In 1958 and 1959, our exports fell off sharply and our imports rose. Our deficit rose to $3½ billion and more a year and we had to pay out some $3 billion in gold to cover a large part of this deficit. In 1960 another overall deficit of $3.8 billion occurred and we paid another $1.7 billion of gold.

The situation in 1960 was dominated by a new element. Our exports had a very good year. But a very large outflow of short term capital took place, mainly from June to the end of the year. Our basic deficit—that is, minus the short term capital outflow—markedly improved, and was estimated at about $1½ billion, as against something over $4 billion in 1959. The outflow of short term capital, amounting to more than $2 billion, was the major factor in the large drain of gold and dollars during the final six months of last year.

### Why Capital Flight?

Now what caused this new phenomenon—the large scale exodus of short term capital?

With convertibility, international money markets have again become closely inter - connected and liquid funds now flow freely in large volume between these markets in response to differentials in interest rates, as well as to speculative considerations. When recession here coincided with boom abroad from mid-1960 onward, monetary policies and interest rates in the United State and Europe diverged widely. At one time last fall a short term investor could obtain as much as 2% more on his money in London than in New York. Hence, a broad stream of short term capital moved from New York to London and other European money centers in search of these higher short term rates. The size of this flow shook confidence in our ability to maintain the value of the dollar. Speculation began against the dollar and added to the outflow. This speculative fever continued unabated until late January.

The first task of this Administration was to restore confidence and put an end to these speculative movements. The President promptly pledged that the official dollar price of gold would be maintained at $35 per ounce. He also outlined a broad and comprehensive approach to achieving an over-all equilibrium in our international payments, placing heavy emphasis on expanding our exports. He rejected protectionism as ineffective and undesirable and stressed that help for the less developed countries from all the economically advanced countries must be enlarged.

I am pleased to report that reaction abroad to the President's vigorous and determined approach has been very favorable. The dollar once again is strong. There has been a decided slackening in the outflow of gold and dollars and there are signs that some of the speculative funds that left our shores last fall are beginning to return.

This is not, of course, a sign that the problem is over, but only that the world believes that we mean what we say. It is imperative, therefore, that we press on with more fundamental measures for correcting our basic balance of payments deficit, utilizing the breathing spell provided by this free world vote of confidence. It is clear that achievement of reasonable equilibrium in our balance of payments will not be a simple task. It will involve vigorous and many-sided action by our government, the cooperation of other free countries, and active and enlightened support by our own people. I am increasingly hopeful that if we utilize these elements, properly welded together, we can reach our goal within the next two years.

One inescapable conclusion which emerged from the short term capital movements of 1960 is the need for more effective international cooperation in economic and monetary policy in order to minimize the disruptive effects, and the magnitude of such movements. To be sure there will always be differences among countries in the timing of booms and recessions, and there will always be some need for a short term capital flow. But if fuller exchanges of views and experience among the financial officials of leading countries can in any way reduce the impact of these swings, we must seek such exchanges. We hope to pursue this cooperation through the proposed new Organization for Economic Cooperation and Development (OECD), through the International Monetary Fund, and in other appropriate ways. At longer range, we are instituting a thorough exploration of measures to improve the functioning of the International Monetary Fund and to strengthen its capabilities, in order to assure adequate and flexible liquidity for the growth that lies ahead.

### Steps to Eliminate Basic Deficit

I have said that we must utilize the time given us by the restoration of confidence to attack the problem of our basic deficit, which last year amounted to about $1.5 billion. In dealing with this basic deficit, we are actively pursuing the specific lines of policy laid down by the President. For example, we expect to tie our military procurement and economic aid expenditures even more closely to United States sources of supply. We are preparing to improve our facilities for providing credit to our exporters. We are moving vigorously to promote an increased stream of tourists to the United States. We are recommending a reduction in tourist allowances. We are developing procedures to encourage foreign monetary authorities to hold dollars. And we are reexamining the tax status of American investment abroad to determine whether it is paying its fair share of our national tax and whether or not any deficiency of our tax system in this regard has contributed substantially to an imbalance of payments. We will continue to explore ways and means of assuring that the substantial payment imbalances of recent years are not continued so as to impair our national economic position.

But improvement in our basic deficit also means that the chronic surplus in the balance of payments of certain other advanced countries needs to be simultaneously reduced. This calls for improved international cooperation across the broad spectrum of economic policies. International cooperation is also increasingly needed in approaching what are now mutual responsibilities for a rising flow of capital to the less developed countries. We hope to facilitate both of these types of cooperation through the OECD.

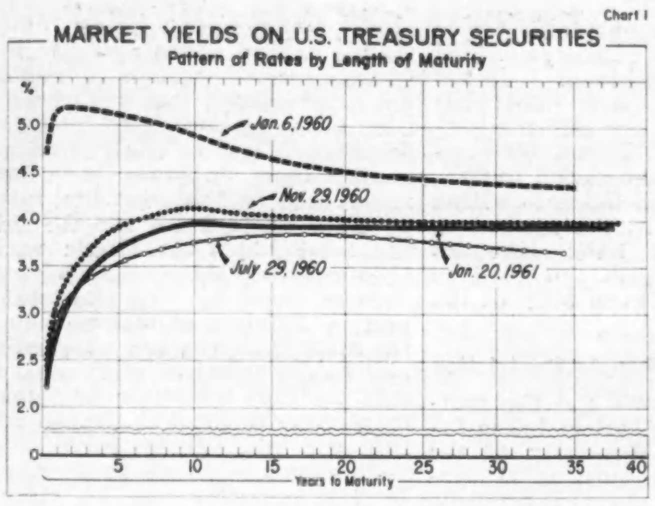
It is also essential for our people to realize that we are inevitably subject to international competition. Just as this country has always found open competition to be a major force in stimulating growth, expansion, and technological change here at home, the same is proving to be true internationally. This development serves to emphasize our need to remain strong and competitive—and not restrictive or isolated. Obviously, this has a great many implications for American industry in terms of the price - wage-cost structure. It becomes important to emphasize to both management and labor that profits and wages need not always be increased to provide more benefits to investors and workers. Both of these economic groups are made up of individual consumers. Hence, the provision of more goods and services for the same dollar by some lowering of prices with increasing productivity may better distribute the benefits of that increased productivity between workers, investors, and consumers, without sacrificing our international competitive position. The President has just provided a channel for funnelling many of these considerations and bringing them to bear on key problems through the President's Advisory Committee on Labor-Management Policy.

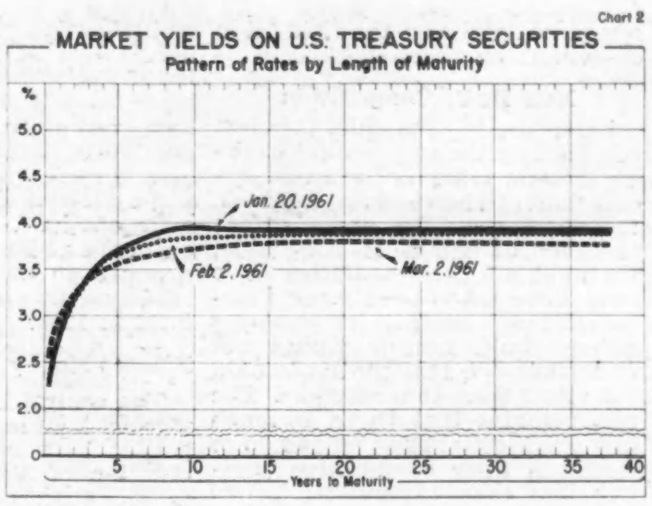
Now to return to the problems of our economy here at home. We must try to produce an environment that will not only bring us out of our present recession, but will also permit our economy to grow at a faster rate than has been the case in recent years.

### Government's "Energizing Force"

The role of the Federal Government as an energizing force in the growth of our economy and as a stabilizing influence upon its ups and downs is daily becoming more important. But there are limits upon what the Government can, or should, do. It is as important to avoid over-commitment as under - commitment, as essential to avoid waste as to avoid constrictive economy. We must make certain that the powerful and productive influence of the Federal Government is used most effectively.

Our nation's resources — the




capacity—of our people and the quality of our physical plant and materials — are impressive. But they are not presently being fully utilized and the level of unemployment is unacceptably high. In initiating new programs of expansion, therefore, we can call upon unused resources, upon credit ease and fiscal expansion —and even upon a reasonable budget deficit for a limited period of time—without running the risk of inflation.

There are, of course, inescapable physical limits on the speed with which our untapped reserves can be put to use. Nevertheless, the current recession makes a modest and temporary deficit not only inevitable, but actually desirable as a stimulant to recovery and the resumption of economic growth. The fact is that a budget deficit may prove helpful in a period of widespread unemployment such as the present one. During periods of prosperity, of course, we should return to balanced budgets and surpluses.

It is now clear that revenues in fiscal 1962 cannot help but be less than those projected in President Eisenhower's final Budget Message of Jan. 16. In that message, corporate profits for calendar 1961 (on which, of course, fiscal 1962 revenue figures are based) were estimated at $46 billion. The facts now available indicate that this estimate is too high, possibly by as much as $3 billion. In addition, personal income may fall somewhat short of the four hundred fifteen billion dollar estimate in that Message.

I cannot pinpoint revenues and expenditures more exactly since final decisions have not yet been taken by the President. However, the Director of the Budget will be able to provide you with these estimates when he appears before you later this month.

In past recessions the Federal Reserve has been able to promote the needed lower long term rates of interest by allowing the short term rate to fall almost to zero. In 1958, for instance, 90 day bills sold at six-tenths of 1%. This tended to lower long term rates and in turn promoted economic recovery. It is important here to recognize that extremely low short term rates are not of themselves necessary for recovery. They reflect increased credit availability and help stimulate the investment flow into the long term sector at lower rates. Today, a reduction in long term interest rates, including mortgage rates, is just as necessary as in previous recessions, but we must find new tools to achieve it. No longer can extremely low short term rates be permitted to result from credit easing steps taken to achieve our recovery objective. Instead, moves have been made to stabilize the short term rate around present levels, an adequately low rate for business purposes. There is always the danger that a lower rate may precipitate a renewed flow of short term capital abroad which could once again affect confidence in the soundness of our dollar. This we cannot allow to occur.

Therefore, other means must be found to promote lower long term rates—means that they do not immediately involve downward pressures on short rates. It was this dilemma that led the Federal Reserve Board to the conclusion that the "bills only" policy which had worked effectively in earlier recessions was no longer appropriate to the task at hand. In addition, the Treasury can and should support efforts to lower the long term rate by judicious debt management policies, not forgetting, however, the need for some lengthening of the debt so as to maintain a reasonable refunding pattern.

**Treasury Market Yields Pattern**

Recent developments in this field can be seen from the two charts before you which show the market yields on U. S. Treasury securities for selected dates.

The first chart shows that the high point last year was reached in January, and the low point the following July. It also clearly shows that long-term rates actually moved up as the recession deepened toward the end of last year — indicative of a lag in the availability of credit to borrowers.

The second chart shows that a decline in rates has occurred since Inaugural Day and that a further decline followed the President's economic Message, in which he specifically called for maintaining short rates at current levels and a greater availability of long-term credit at declining rates. This decline in long-term rates, coupled with the maintenance of short-term rates was helped when the Federal Reserve last month began buying government notes and bonds of varying maturities, some beyond five years, for virtually the first time in a decade, and the Treasury concentrated its sales of securities in the short-term sector. The effect of these policies is, of course, to decrease the supply of long-term securities and increase the supply of short-term securities.

**Areas to Stimulate**

Our attempts to try to bring about a greater availability of credit at lower interest rates in pursuing recovery and growth are certainly justified by recent developments. There has been a notable lag in certain key areas such as housing and municipal and corporate investment. Yet these are the very areas which we wish to stimulate.

Let me briefly examine these three specific areas:

*First*, housing: Although in housing the availability of credit at lower mortgage rates is only one aspect of the problem, it is nevertheless an important one. We are hopeful that efforts of the Administration to lower mortgage rates — by reducing the Federal Housing Administration rate, placing more emphasis in the Federal National Mortgage Association program on buying rather than selling mortgages, and urging key mortgage lenders to lower their rates—will help to speed up a decrease in long-term mortgage rates reflecting the increase in available mortgage funds that is already beginning to manifest itself.

*Second*, security offerings of municipalities, state, and local governments: Ordinarily, as interest rates decline and funds become increasingly available in a recession period, such offerings increase. However, in the current recession, this pattern has not been discernible. As late as last month, offerings continued to lag somewhat below a year ago. But as the credit ease continues, we can expect some growth in constructive municipal borrowing. Estimates for March project a considerable increase over the corresponding month last year.

*Third*, the corporate financing field, where the stock market seems to be openly inviting additional equity financing—an invitation we hope will be increasingly accepted by corporations. For the more corporations turn to the securities markets and repay their bank loans, the more the banks will be able to supply credit to other borrowers, and so stimulate recovery.

There is another vital force in this whole area of interest rates and the availability of funds generally, and that is in the field of tax policy.

I shall defer discussion of this subject in view of the recommendations which the President proposes to submit shortly on tax measures that will encourage the expansion and modernization of the Nation's productive plant so as to accelerate economic growth and improve the international competitive position of American industry. It will perhaps suffice to state the basic goal of our tax policy. It is simply this: to develop and maintain a strong tax system which will meet the revenue requirements of the government, contribute to economic stability, and further the objectives of a dynamic and growing economy.

The tax system should be flexible and respond to changing economic conditions. In times of falling income, the receipts under such a tax system should decline, so that resulting Federal Budget deficits will help to sustain the level of demand and employment. In times of rising income and employment, the system should furnish increasing revenue and a surplus should result. An important advantage of the surplus will be that through debt retirement, it can be made available to private investors for capital formation and economic growth. We are looking forward to a strong economy in which such years of surplus will match or exceed those of deficit.

The problems of bringing about a prompt recovery and, more importantly, vigorous expansion, call for the stimulating potential of a larger government budget within a financially orderly framework. We aim to make government's contribution to economic activity in a way that will provide solid support — rather than more temporary stimulus—to the flourishing and continuing growth we can and must achieve. We hope that by carrying out these many-sided programs with resolve and determination, we can make maximum use of our resources, both human and material, to create a brighter future for all Americans.

*Statement by Secretary Dillon before the Joint Economic Committee of Congress, Washington, D. C., March 7, 1961.

## Now Guaranty Secs.

GLENDALE, Ariz. — Edwin R. Hayek, 6327 West Colter Ave., is now conducting his investment business under the firm name of Guaranty Securities and Investment Company.

## Criley Rejoins Cruttenden Firm

(Special to The Financial Chronicle)

DENVER, Colo. — Laurence T. Criley has rejoined Cruttenden, Podesta & Co., 524 Seventeenth Street. Mr. Criley, who has been in the investment business in Denver for many years, has recently been resident manager for Quinn & Co. In the past he was an officer of Bosworth, Sullivan & Co. Inc.

Laurence Criley

## Williston, Beane Names Managers

J. R. Williston & Beane, 2 Broadway, New York City, member of the New York Stock Exchange, has announced the following appointments: David B. Hill, manager of the research department; George B. Kendall, associate manager of the foreign department; Allen I. Keller, manager of the 521 Fifth Avenue office; William Shatkin, manager of the operations department, underwriting and syndicate division.

Walter Rizzuti is now associated with the firm as a registered representative in the main office, and Charles B. Martin in the Plainfield, N. J., office.

## Named Directors

Morton Globus, President and Director of Globus Inc., and Martin R. Lyon, Secretary and Director of Ross, Lyon & Co., have been elected to the Board of Directors of the National Patent Development Corp., it was announced by Gen. Jess Larson, Chairman of the Board and former War Assets Administrator.

# Commercial Banking Growth Requires Important Changes

*By* Ross M. Robertson,* *Professor of Business Economics and Public Policy School of Business, Indiana University, Bloomington, Indiana*

**The political independence of the Federal Reserve System must completely cease according to Professor Robertson who believes monetary policy "should be made by officials directly responsible to the voters." Moreover, restrictive monetary policy which did not allow the money supply to expand, ceiling on time deposit interest rates, and non-use of the discount rate as originally intended in the Federal Reserve Act are listed among the reasons as to why commercial banks have been losing out to the competition of non-banking financial intermediaries. If banks are to take a full part in our economy's coming growth, and compete successfully against their growing competitors, Professor Robertson recommends they act on his advice.**

A year ago the fraternity of business forecasters was telling us in glowing terms about the wonderful decade ahead. The oracular prose that passed for wisdom then has an ironic ring today, the first year of the "soaring sixties" having turned out to be a little sour and one of the most frustrating in our economic history. But in all fairness to those who so seriously missed the 1960 outlook, we must admit the intrusion of noneconomic variables that were unpredictable a year ago. More important, the sources of strength projected for the next 10 years are still visible, and we do ourselves a disfavor if we too quickly jump to the conclusion that the 1960's may not after all be a period of tremendous growth.

Ross M. Robertson

Indeed, the rather common prediction of $800 billion of Gross National Product by 1970 and of one and a quarter trillion dollars of Gross National Product by 1975 (both figures in dollars of 1960 purchasing power) still seems likely to realization. We shall almost certainly have the resources for production of this magnitude. Whether we fully utilize these resources or not is another question, and I must confess to some pessimism over the way in which accepted stabilization tools have been employed in recent years. I hasten to add that I speak critically not only of the new one, which in my view should have acted immediately to reduce Federal income taxes across the board.

But this is another matter entirely, and I do not intend to go into stabilization in this paper. I have a hunch that people will demand and get action that will mitigate unemployment whenever a really serious threat appears — and that we will push the economy over the next 10 years to something like its enormous potential. Assuming that incomes will increase sufficiently to keep a growing and increasingly productive work force and physical plant almost fully employed, commercial bankers must ask themselves this question: "Will the commercial banking system take full part in the coming growth of the American economy?"

There are serious reasons for believing that it will not. The banking business will almost certainly offer rewarding careers to many young men who will be coming along. Moreover, some of the institutions will have a phenomenal growth in the next 10 years. I insist, however, that the commercial banking system as a whole is not likely to grow in the same proportion as the national product. To put the matter another way, the commercial banking system will probably lag behind competing financial intermediaries. In other words the role of the banking system in national development may prove altogether unsatisfactory—unless, of course, banks on the firing line do something about it.

### Non Bank Competition

Let's face it! The chief problem confronting the commercial banking system today is the rapid encroachment of competing nonbank intermediaries. To some extent this encroachment is inevitable, for nonbank intermediaries have long since taken over some functions that commercial banks either could not or would not undertake—or that the law would not allow them to undertake. The fact remains that there is much that commercial bankers can do to maintain their competitive position and even expand it. Banks are far better advised to take vigorous and constructive steps to improve their own place than to argue for legislation that would weaken the position of their so called mutual competition. Complaining about the tax advantages of the mutuals is not likely to lead to any corrective legislation and, even if it did, the banking business will not be materially increased by such simple changes in the rules of the game.

Let us begin by inquiring when it is that commercial banks prosper best relative to the nonbank intermediaries. The most cursory glance at the data indicates that the commercial banking system grows relative to the other intermediaries when the money supply is rapidly expanding and retrogresses when the money supply expands slowly or not at all. I shall not provide the figures in detail; it is enough to note the recent highs and lows of commercial bank importance during the past two generations.

In 1919, after the World War I expansion of the money supply was well along, commercial banks owned 77% of the combined assets of commercial banks, life insurance companies, savings and loan associations, and mutual savings banks; in the same year commercial banks accounted for about 70% of the combined liabilities of these four types of institutions. The proportion of combined assets owned by commercial banks reached a low point of 51% in 1933, banks in that year accounting for 48% of the combined liabilities of these major institutions. From this low point commercial banks made steady relative gains through the 1930's and on through 1945, when banks owned 70% of the combined assets of commercial banks, life insurance companies, savings and loan associations and mutual savings banks; in that year banks held 64% of the combined liabilities of this group. I do not have to tell bankers what has happened since. By 1950 the proportion of assets owned by commercial banks had dropped to 62%, and by 1960 it had fallen to a little over one-half. In the meantime, commercial bank liabilties dropped to 60% of the total in 1950 and to an even 50% of the total in 1960.

### Blames Money Supply Restriction

The central bank and the commercial banking system taken together have a monopoly of the creation of the most vital economic quantity in a capitalistic economy — the money supply. Money is the stock in trade of the commercial banks. It is therefore not at all surprising that the commercial banking system does well when the money supply is growing and retrogresses when it is holding constant or declining. When, as in the last bout with tight money, the central bank holds the money supply nearly constant for more than three years, we should not be surprised at the relative decline of commercial banks.

I think it is not unfair to say that banks have enthusiastically supported the kind of harsh and restrictive monetary policy that we have endured for so many years. Banks do this partly for reasons of public spirit and partly because they think it is good for business. In my view bankers would do well to re-examine this problem — weighing the dubious benefits to their institutions of relatively high interest rates against the harm that artificial restraints on the money supply do to the banking system as a whole.

### Other Reasons for Unsatisfactory Growth

Now I wish to turn to some other reasons why the commercial banking system has not shown satisfactory growth in recent years. The banking system is currently trammeled by legal and administrative restrictions imposed in a time when banks operated in a much less table economic environment. The most obvious of these restrictions are those of the supervisory authorities—e. g., unrealistic upper limits of one sort or another on real estate loans — but they by no means exhaust the list. For example, Federal Reserve officials have removed the discount rate as a genuine money market rate, opening and closing the discount window in accordance with the arbitrary and capricious rules contained in Regulation A. The framers of the Federal Reserve Act originally intended that member banks should have access to the discount window upon the initiative of the member banks, to be met with whatever rate the monetary authorities should deem appropriate. More and more, however, Federal Reserve credit has been made available, not when the banks think it necessary, but when a few officials of the Federal Reserve System think it should be injected. I contend that this kind of control hurts your growth.

### Time Deposit Interest Rate Ceiling

Let us turn to another and even more important example of government restriction. The artificial limitations on rates paid on time deposits place banks at an insuperable disadvantage compared with savings and loan associations, life insurance companies, credit unions, and the like. I am not so naive as to suppose that these limitations are without support from the commercial banking community; a good many bankers like to have such ceilings because they mean less vigorous competition with other banking institutions. I might add that many bank managements may quite rightly decide not to compete for savings funds, for such figures as we have suggest that banks with high ratios of savings to total deposits earn less on their invested capital than do those with low ratios. The fact remains that rates paid for savings are by all odds the most important single variable affecting the amount of savings received by any institution, and no amount of talking about the difference between a commercial bank's contract with a saver and that of a savings and loan association is going to change this fact one bit. Those banks that wish to compete with savings and loan associations for savings should be allowed to do so by paying whatever rate they wish to pay. Those that do not wish to compete for savings should shoot for the demand-deposit accounts of the associations, which are the *customers* as well as the *competitors* of the banking system.

I might add that I think that large commercial banks should once again be allowed to pay interest on demand deposits, an ancient and honorable practice erroneously accused of contributing to the financial disruption of the Great Depression. There is simply no reason why the private market mechanisms should not be allowed to regulate this kind of business seeking.

Furthermore, commercial bankers should put themselves to it to invent a short-term obligation that will sell in competition with and on the same basis as Treasury bills and commercial paper. Bankers themselves have taught corporate treasurers how to put idle funds into short-term governments. Moreover, one of the agencies, Fanny May, is now issuing a short-term instrument tailored precisely to corporate maturity needs and really as good as a Treasury bill in every way. I am not sure that I know precisely what kind of a security banks must create, but it must have more glamour than a typical certificate of deposit. My colleague, Professor E. E. Edwards, thinks that banks might develop a short-term obligation to be known as a banker's bill that would sell at auction and on the same basis as a Treasury bill. This invention will require ingenuity—indeed, it may take a touch of genius. But I am sure that if bankers put their heads to it they will come up with a satisfactory answer.[1]

I know that some bankers may say, "Well and good, but what does the individual banker do to secure the kind of changes here suggested?" This is a relevant question, and one not easily or simply answered. For one thing, they can work through their associations, particularly through state associations and the American Bankers Association, to secure legislation that removes some of their own fetters. I for one feel that this is a more useful tactic than worrying endlessly about the advantages that the so-called mutuals are supposed to have. I might suggest, too, that bankers make their thoughts known to their duly elected representatives on the Boards of Federal Reserve Banks. But I would go further.

### Opposes Independent Federal Reserve

I feel that monetary regulation in this country should be made politically responsible, that our hydraheaded monetary authority should be unified. Such unification is in my opinion more urgent

1 Several weeks after these remarks were made, but while this manuscript was being processed, the business and financial press reported the issuance of negotiable certificates of deposit by New York and other banks. If, as anticipated, active trading develops in these certificates, the money-market instrument that Professor Edwards and I have called for may truly materialize.

*Continued on page 30*

# BANK AND INSURANCE STOCKS

*BY LEO I. BURRINGTON*

## This Week — Insurance Stocks

*SECURITY INSURANCE COMPANY OF NEW HAVEN—*

The most interesting recent development for Security has been its victory in obtaining control of a much larger insurance underwriter, New Amsterdam Casualty Company. A statutory merger of Security Insurance of New Haven and New Amsterdam at an early date is the expressed hope of Security management.

At a special New Amsterdam stockholders' meeting in January, 1961, interests headed by E. Clayton Gengras, President of the Security-Connecticut Group, were able to effect a sweeping reorganization of New Amsterdam management through support well in excess of 50% of the outstanding 500,000 shares of New Amsterdam stock. In July, 1960, a proposal to offer 1¼ of its shares for each of the first 405,000 shares of New Amsterdam was made by Security. This proposal was rejected by the New Amsterdam management who unsuccessfully first sponsored a merger with Fidelity & Deposit of Baltimore, then The Home Insurance Company of New York.

New Amsterdam Casualty has experienced a very unsatisfactory underwriting record during the past decade, with losses particularly heavy during the past several years. A better diversification of business should result from merger of the two companies since Security's business is weighted more heavily on property underwriting lines, while diversified casualty lines represent over 80% of New Amsterdam's net premiums written. Of interest is the 43,000 share secondary offering of New Amsterdam common stock which was oversubscribed this past week at $70.50 a share; the selling stockholders were not disclosed.

New management, installed in 1957, has brought about a brilliant reversal of heavy underwriting losses for the Security-Connecticut Insurance Group which has a history dating back to 1841. In 1957, the Security Group included Security Insurance Company of New Haven and its affiliate, The Connecticut Indemnity Company; The Security-Connecticut Life Insurance Company was organized and commenced business in 1955. After only five years of operating the life subsidiary's insurance in force reached $80.5 million at the end of 1960. In 1961, insurance in force should exceed $100 million. The number of field offices now total 150 throughout 37 states. A substantial profit from life operations should commence this year.

In 1958, Security acquired The Fire and Casualty Insurance Company of Connecticut through a 7.2 shares exchange for each Fire and Casualty share. In 1960 Founders' Insurance Company of California was acquired through the issuance of one share of Security for each three shares of Founders. Thus today, the Security-Connecticut Insurance Group includes five companies which represent a well-rounded multiple line business, including life insurance. Approximately 1,500 agents act as representatives throughout the United States supported by the New Haven, Conn., home office and branch offices in Los Angeles, Denver, Rockford (Ill.), Louisville, New Orleans, Detroit, Kansas City, Omaha, and Dallas. Sixteen field offices also are maintained as well as foreign departments in New York and San Francisco.

**Selected Statistics — Growth and Underwriting Control**

| Year— | Net Premiums— Written* $ | Net Premiums— Earned* $ | Admitted Assets* $ | Loss Ratio† % | Expense Ratio‡ % | Profit Margin % |
|---|---|---|---|---|---|---|
| 1960 | 28.163 | 25.165 | 56.463 | 53.3 | 42.2 | 4.5 |
| 1959 | 23.992 | 21.687 | 49.636 | 52.7 | 42.7 | 4.6 |
| 1958 | 21.085 | 23.472 | 49.143 | 56.9 | 47.7 | — 4.6 |
| 1957 | 21.761 | 25.393 | 45.808 | 68.9 | 49.4 | —18.3 |
| 1956 | 25.926 | 25.200 | 51.262 | 63.2 | 46.3 | — 9.5 |
| 1955 | 24.729 | 24.562 | 51.547 | 55.5 | 44.1 | 0.4 |

*In millions of dollars. †Losses incurred to premiums earned. ‡Expenses incurred to premiums written.

Underwriting operations divide roughly about two-thirds property lines and one-third casualty lines. Leading individual lines based on 1960 production are Homeowners, 24.7%; Fire, 20.8%; Extended Coverage, 14.1%; and Auto Liability, 10.9%. Figures in the tables presented are on a consolidated basis, excluding life operations. Geographic distribution is reflected by the following leading states for direct premiums written: Connecticut, New York, Michigan, Kentucky, California, Illinois, Louisiana, Florida, and Texas. The profitable operations are based on upgrading the quality of risks and reducing the expense ratio through careful selection of the more profitable areas. Particularly noteworthy was this company's ability to put its automobile lines very much in the profit column during 1960.

Strong emphasis is being given to more efficient methods, procedures and operations in order to lower the expense ratio, including the recent installation of an electronic data processing computer. A policy of strong home office supervision is followed. Connecticut Indemnity's auto plan for family car insurance at reduced rates to those qualifying as preferred risks represents a step to offset competition from direct writers.

**Per Share Statistics***

| Year— | Approx. Price Range | Investment Income | Total Earnings | Average P/E Ratio | Approx. Book Value | Dividend |
|---|---|---|---|---|---|---|
| 1961 | 59 - 54 | | | | | $1.40 |
| 1960 | 58 - 38 | $2.56 | $4.47 | 10.7 | $49.64 | 0.97 |
| 1959 | 47 - 32 | 2.18 | 3.78 | 10.4 | 43.58 | 0.71 |
| 1958 | 35 - 20 | 2.16 | —0.15 | --- | 43.28 | 0.45 |
| 1957 | 32 - 16 | 3.01 | —8.87 | --- | 46.81 | 0.53 |
| 1956 | 46 - 26 | 2.94 | —3.23 | --- | 55.98 | 0.89 |
| 1955 | 47 - 37 | 2.72 | 2.42 | 17.4 | 60.42 | 1.47 |

*Adjusted for stock dividends, including 3% paid in 1961.

Consolidated earnings for 1960, registered an 18.3% gain over 1959 results. Investment income, up 17.4% over a year ago, was aided by the completion of Security's program involving the movement into tax exempt municipal and state bonds, and out of corporate bonds. Substantial tax savings are the result. During 1960 stockholders not only benefited from a 28% market appreciation, they received a considered gain in income as can be noted in the table.

At the recent price of 58, a present yield of 2.4% is obtained on the indicated $1.40 dividend. Stock dividends of 3% have been paid in each of the past five years. Presently 462,726 shares are outstanding. Security Insurance Company of New Haven appears destined to become one of the industry's larger and more dynamic insurance operations. Emphasis on profitability is enhanced by a sizable ownership of Security stock by directors of the company. Based on recent past experience of Security's way of doing business, considerable improvement can be expected in New Amsterdam Casualty operations.

# NASD Reports on 1960 Activities

WASHINGTON—More firms were engaged in the securities business than ever before and employment was at a new high at the close of 1960, according to the annual report of the National Association of Securities Dealers.

Wallace H. Fulton

An 8% increase over 1959 boosted membership to 4,466, while a 10% rise in the number of persons registered with the Association increased that total to 93,828.

The report of Wallace H. Fulton, Executive Director, stated that every section of the country except Texas accounted for increases in membership and registered representatives. Members were also operating more branch offices at the end of 1960 than ever before, 4,231.

An average of more than 2,000 a week took the NASD Qualification Examination that is required before a person just entering the securities business can be registered with the Association, usually as a salesman. NASD examination centers are now operating in 39 cities, mainly at universities, throughout the country.

Mr. Fulton's report said the NASD is in the process of strengthening the qualification examination and has engaged The Psychological Corporation in New York City, a leading firm in the field of test development, to assist in the preparation of a new, stiffer examination. The new qualification examination is expected to be in use before the end of 1961.

The self-regulating arm of the over-the-counter securities business, NASD in 1960 expelled 23 members for violations of its Rules of Fair Practice, according to the report. It also revoked the registrations of 36 representatives of members. Also, it suspended 16 members and fined a total of 189 for an aggregate of $153,307. In 1960, a total of 348 complaints were filed against members. At the end of 1960, 227 were still pending before Business Conduct Committees.

Mr Fulton's report also showed that 2,009 members were examined by the Association's own examining force in 1960—equal to about one-third of the membership. From these examinations, the Association determines whether members are abiding by the NASD Business Conduct Rules.

# Schroeder With Hayden, Stone

CHICAGO, Ill.—Hayden Stone & Co., has announced the appointment of Paul A. Schroeder as Business Development Manager for their Chicago office, 141 W. Jackson Blvd. Mr. Schroeder was associated the last four years with McDonnell & Co., as assistant vice-president. Prior to that he was employed by Merrill Lynch, Pierce, Fenner & Smith as an account executive.

Paul A. Schroeder

# Fed. Land Banks Offer Bonds

The Federal Land Banks offered on March 17, two issues of bonds, $104,000,000 of 3¼% bonds due Oct. 22, 1962 priced at 100.1875% and $150,000,000 of 3⅝% bonds due Feb. 21, 1966 priced at 98.75%.

The offering was made through John T. Knox, fiscal agent, with the assistance of a nationwide group of securities dealers.

Proceeds from the sale will be used to redeem $183,000,000 of 3⅝% and 4% bonds maturing April 3, 1961, to repay short-term borrowings, and for lending operations.

## J. F. Gullo Opens

NORTH COLLINS, N. Y.—John F. Gullo is engaging in a securities business from offices on Brant-North Collins Road.

# Corporations Must Promote Financial Public Relations

*By Gilbert E. Busch,* Vice-President and Director of Public Relations, Albert Frank-Guenther Law, Inc., New York City*

**The "complete" corporate story must be told if a firm is to compete successfully against other public offerings for funds. This means, according to Mr. Busch, reaching the investing public and keeping the financial community informed — requiring merchandising corporate personalities as aggressively as products or services. Mr. Busch outlines the typical techniques and media necessary to integrate a coordinated advertising, promotion and public relations program for a truly "Financial Public Relations Program."**

There seem to be more critics of advertising than there are advertisers, more critics of sales promotion than there are users of such services and more experts in public relations than the Good Lord ever created in human population.

Gilbert E. Busch

We have been subjected to criticism by every field of business endeavor, including those created by IBM machines. And yet what are we doing in the way of soul-searching to find out just how much substance exists in the criticisms that are being heaped upon us?

Among other things, we've been called "word merchants." I kind of like that—even if it's meant as a criticism. Because, after all, words are our business and words are vitally necessary to communicate—written or otherwise. The big question, however, involves the proper use of the proper words.

Some years ago I was reviewing the semantic approach to logical thinking and fortunately came across an interesting book on the subject. In this book was a story which I should now like to relate.

It seems that on a certain merchant vessel which was tied up in port, there was a teetotaling captain. The morning before the ship was to sail, the captain turned the log and watch over to the first mate. As the first mate looked through the various entries in the log, he came across one which stated: "The mate was drunk last night."

The first mate remonstrated with his skipper, explaining that the ship was in port, that he—the mate—was on authorized liberty and certainly had the privilege of getting drunk on his own time.

"But," interjected the captain, "you were drunk and the entry is a true statement. Therefore, it belongs in the log."

Twenty-four hours later, when the ship was on the high seas, it came time — as is the custom aboard ship — for the captain to relieve the mate for his 24-hour watch. As the captain scanned the log, he found an entry which read simply: "The captain was sober last night."

I think this illustrates conclusively the need for extreme caution in this business of communications. It is necessary more than ever before that we take stock of what we have to say, how we say it and make sure that a logical thinking approach is used so that all parties to the communication effort have a firm understanding of the communicated thoughts.

Now, let's take a look at some of the confusion and misunderstanding that exists in advertising circles. I think we're all in agreement that a hard or soft sell advertising campaign to sell a product or service is a necessary must in today's scheme of things. But there is a second kind of advertising which seems to have generated increasing interest in the past decade or so . . . and that is so-called institutional advertising.

### Reaching Investors

Recently the President and founder of the Mid-West Stock Exchange, Mr. James E. Day, said that American industry should concern itself with a third kind of advertising which, he said, ought to be added to the public corporation's armory of weapons. Mr. Day explains that most publicly owned companies use and should use the first two types of advertising now. They should, he said, have product advertising first to do the essential job of helping to move whatever it is they have to sell and they should have, he added, institutional or corporate image advertising to reach the various publics whose good will and good favor they need.

But Mr. Day feels that they are still not utilizing advertising completely unless and until they add financial advertising . . . aimed specifically and pointedly at present and prospective investors. But the key to Mr. Day's comments, I believe, is contained in his expressed feeling that while most corporate image advertising tries to do this financial job in some respects, it is too unspecific to hit the particular audience at which it should be aimed: namely, the investing public.

This establishes a rather interesting premise that many of us have been advocating for many years. As a matter of fact, again remembering the need for proper communication, we do not like the term "corporate image advertising" because it appears to convey no precise meaning.

Many know the extreme controversy which has developed in recent years over the use of this term. Some time ago, in attempting to bring together into one "sell" package the various aspects needed for a balanced advertising program we came up with a term: The Total Corporate Impact. Before attempting to explain exactly what we mean by The Total Corporate Impact I would like to make an observation. Institutional and financial advertising as part of an overall campaign can and will return definitive dollars and cents results.

Some may ask how can something so intangible as an institutional campaign or a paid space message to the financial communities and/or the investing public result in producing dollars for the advertiser. In itself, it may not be able to do so. But it can do so when coupled with the right promotional activities and public relations techniques.

### Keeping the Financial Community Informed

The basic objective of a Financial Public Relations program calls for effort to be directed at keeping the financial community fully and completely informed of a corporation's story.

Why is this necessary?

Today, as never before, companies must sell their corporate personalities as aggressively as they merchandise their products or services. The **complete** corporate story must be told because, sooner or later, most companies need additional working capital to produce more goods, to tool up for new lines, to better their competitive positions. New financing is then initiated and the resultant public offerings of securities face real competition.

Which newly offered securities will be favored by the investing public or by institutional investors? Usually it's those of well-known companies respected for their stature and achievements. This is frequently confirmed by the fact that shares of fine but lesser known companies often sell at a lower price-times-earnings ratio than the stocks of companies that have done a thorough job of merchandising their corporate identities.

For the uninitiated, I might parenthetically explain that price-times-earnings ratio is a barometer or yardstick used by the financial fraternity in determining the relative value of a particular stock. For example, a stock selling at $30 per share and earning $3 per share a year would have a 10-times price-earnings ratio.

The time has long since passed when management of a corporation can afford to look at corporate promotion in the Financial Public Relations sense as either useless, or at best an innocuous form of self-admiration.

Here's another fact to face. Ownership of stock has broadened immensely. Many millions of people now own shares. Many more could afford to own some stock. Obviously, a declining percentage of investors are professionals. So just telling a corporate story is not enough. It must be told in a personalized way for each corporate entity has its own personality. It must be told in simple direct, dramatic and convincing terms. It must be told through every appropriate channel and medium. In other words, we're talking about a **complete** program of corporate promotion expertly fitted to the company's specific needs.

### What Good Promotion Must Do

Such a program can do much more than simply "sell" a company as represented by its securities. Good corporate promotion can also:

(1) Create better public understanding and gain acceptance by special interest groups.

(2) Help a company get favorable financing terms.

(3) Help broaden stock distribution.

(4) Help sell a company as a place to work (and this is another area where competition has really intensified).

(5) And here is one often overlooked in a financial program: It can help sell a company's **products** — because it's only natural, when a choice is offered, to favor the products of those companies we like and in whose stock we have invested.

Perhaps this has been best crystallized by G. Keith Funston, President of the New York Stock Exchange, who has said:

"It is not longer possible to separate the world of sales, with its emphasis on product, from the world of finance, with its emphasis on shareholders and the need for creative capital."

How, then, is a Financial Public Relations program developed and conducted? In order to reach the capital markets, a complete program entails a number of methods but the starting point and areas of special emphasis can only be determined individually on the basis of specific needs and objectives.

Good corporate advertising is one ingredient of the complete program. It should never talk to itself, nor puff a company in vague, general terms. While designed to generate a favorable overall impression, it usually achieves its purpose by emphasizing some **specific** aspect of the company's operation; it properly "introduces" the public to the company's management and activities, and places emphasis on the merits of the company as an **investment.** The important facts are smoothly integrated with a company or product story that makes clear the company's position and its future prospects.

### Utilizing Corporate Notice

Allied to the corporate campaign because of its significance to investors is the so-called "corporate notice," regarded all too often as a thing apart from advertising altogether . . . as something the law may require, or as a mere traditional formality. Included, strangely enough, among those who so regard it, are many firms whose aggressive advertising of their **products** has given their brand names the status of household words! Yet fiscal and annual report advertising — even the routine announcement of a dividend declaration — can be effective institutional advertising in miniature.

Corporate notices imaginatively conceived have been the low-cost springboard of many corporations into full-scale corporate advertising campaigns that are cultivating today's capital markets with marked success.

The capital market wants to hear facts about a company that advertising alone cannot convey. Both "paid space" **and** publicity are therefore essential parts of any well planned program of corporate promotion.

A corporation meeting, for example, may be announced in an advertisement, but rarely are the proceedings advertised. This must be publicized. A dividend declaration or annual report to shareholders may be the subject of an advertisement and be covered editorially as well. Monthly or quarterly sales and earnings are important economic barometers and should be given consideration as news since they are usually featured in advertising only annually.

Improved products . . . production records . . . merchandising developments . . . acquisitions . . . plant expansion . . . changes in capital structure and management . . . the capital market is eager for all such news. And so are editors when it's properly prepared, co-ordinated, and disseminated.

### A Third Tool

In addition to advertising and publicity, another tool is generally needed as an important supplement to round out a company's corporate promotion program. In many respects it is the most versatile and flexible tool of all.

Basically, this activity is designed to bring a company directly to the attention of the financial community and stockholders by merchandising information to them through (1) bulletins, (2) reports, (3) personal presentation of the company story, and (4) personal contact. In short, by every special medium and device beyond the scope of advertising and publicity.

Naturally, the application of these services to any given company must be determined individually by the company's specific needs and objectives. Among the individual services, either singly or in any combination, there are:

(1) Preparation and distribution of printed material such as annual and interim reports, information bulletins and reprints of specific interest to specially developed direct mail lists.

(2) Personal contact by agency staff members with security analysts, institutional investors and others to build interest directly in a company. I think this needs a little bit of explanation. Hard-pressed company officials do not have the time to visit with financial interests on anywhere near the scale that is necessary in today's business operations and the public relations representative

merely fills in for the company official. The PR man is not puffing the story; he sticks to the facts much the same as a reporter covering a story. A sharp line of demarcation must be drawn here for we are PR people and NOT in the investment banking business.

(3) The next point concerns arranging and conducting meetings of company officials with key analysts and other investment interests within the various financial communities important to the company. These are usually keyed to the announcement of new developments, the issuance of the annual report, etc., and provide a platform for the corporate official to answer questions about his company, its plans, operations and the like.

When all these techniques and media—and such others as may be indicated—are tailored to a company's objectives and thoroughly integrated with its advertising and publicity, the result is a co-ordinated and complete program of corporate promotion — truly a Financial Public Relations Program. Its effect is to build an awareness of the company. Companies can no longer sit back and hope such an awareness will develop of its own accord.

*From a talk by Mr. Busch before the Life Insurance Advertisers Association, New York City, March 16, 1961.

# President of F.N.M.A. Predicts Larger Supply of Mortgage Funds

**Lower mortgage rates are in prospect, according to Mr. Baughman in a report predicting greater availability of mortgage money. Decline in FNMA purchase of mortgages and increase in sales and broadening of private stock ownership of the corporation are also announced by FNMA's Chief Executive.**

Under its Secondary Market Operations alone, the Federal National Mortgage Association has provided the financing for over 300,000 homes since the program was launched a little over six years ago. This was revealed in a report released by FNMA President J. Stanley Baughman, which showed that since the Secondary Market Operations inception through the end of December, FNMA has acquired 311,766 FHA and VA mortgages with principal values totaling $3,656,254,000.

J. Stanley Baughman

For comparative purposes the Fourth Quarter Report and Financial Statement made public recently also included data covering previous quarters which pointed up that offerings and purchases have steadily decreased month after month while sales of mortgages have consistently increased. During the fourth quarter 14,109 offerings estimated at $176,400,000 were received, compared to 19,633 estimated at $244,400,000 in the previous quarter — a decrease of 28%. Purchases also fell to 12,197 mortgages valued at $155,425,000 from 18,717 worth $232,337,000 in the third quarter—a drop of 33%. However, while offerings and buying activity slackened, sales to private investors seeking sound, well-seasoned, long-term investments, rose sharply — from 319 mortgages for $4,167,000 in the third quarter to 2,557 for $33,300,000 in the fourth quarter which brought cumulative sales to 44,604 for $519,034,000.

These "seesaw" actions were attributed by Mr. Baughman to an increase in the supply of available funds in the mortgage money market. He explained that "when monetary credits are in short supply FNMA's offerings and purchases rise, while sales slump. Conversely, when the mortgage market eases, offerings and purchases decrease, while sales rise."

### Lower Home Financing Costs for Home Buyers Predicted

Based on the Association's fourth-quarter activity plus the results of a current nation-wide survey, FNMA's Chief Executive predicted that "the greater availability of mortgage funds will continue well into the year, which ought to mean lower home financing costs for prospective home buyers."

An analysis of the quarter's purchases disclosed a ratio of more than 3 to 1 in the number of FHA mortgages bought compared to VA, with 9,377 valued at $117,322,000 acquired, contrasted with only 2,820 GI loans valued at $38,103,000. These purchases covered properties located in 44 states and Puerto Rico.

A highlight of the report shows that all major segments of the home finance industry continue to participate in the FNMA program. A breakdown of the 630 sellers that sold mortgages to the Association during the quarter shows that 473 mortgage companies (75%) led the list, followed by 115 banks and trust companies (18%), 33 savings and loan associations (5%), and nine insurance companies (2%). Cumulatively, approximately 1,300 companies have made use of the program.

### Private Ownership Base of Agency Expanded

The report also showed a continued broadening of the base of private ownership in the corporation during the quarter, with 7,582 stockholders holding 724,997 shares of FNMA common stock on Dec. 31, compared with 7,094 holding 688,800 shares at the end of the previous quarter. (The agency's common stock is issued only to sellers of mortgages to FNMA, but it is freely transferable thereafter.) The corporation's preferred stock outstanding, held exclusively by the U. S. Treasury, amounted to $158,820,305 at year-end.

FNMA's net earnings under its Secondary Market Operations during the quarter amounted to $3,785,239 after expenses and after providing for payment of $4,100,875 to the U. S. Treasury as the equivalent of Federal income taxes. Provision was made for dividends of $937,011 to be paid on Treasury-held preferred stock and $577,879 on common stock, leaving $2,270,349 for transfer to general surplus.

The Association maintains regional agency offices in Philadelphia, Atlanta, Chicago, Dallas and Los Angeles in addition to a sales office and fiscal agency office in New York City.

## Form Schwab & Brickman

As of March 9 Schwab & Brickman, members of the New York Stock Exchange, will be formed with offices at 120 Broadway, New York City. Partners will be Lionel A. Brickman, who will acquire a membership in the Exchange, and Howard Schwab.

# Some Second Thoughts On Currency Revaluation

By Paul Einzig

**Picturing foreign exchange markets as being restless and delicately balanced, Dr. Einzig trusts neither the dollar nor sterling will weaken so as to cause revival of another revaluation or devaluation scare. The foreign exchange expert comments on the position of several currencies; opines he did not expect Western Germany to handicap their exports too much; trusts the Kennedy Administration will continue moderate policies; and expects Britain to defend sterling against summer and autumn pressures. The solution to fundamental disequilibrium, Dr. Einzig contends, is for an inflationary price rise in countries with undervalued currencies while stable prices persevere in Britain and U. S. A.**

LONDON, England.—The crop of revaluation denials and devaluation denials issued by various governments following on the revaluation of the D. mark and the guilder was received at first with distrust in the foreign exchange markets. After a few days, however, second thoughts had begun to prevail. Even though the revaluation scares and devaluation scares have not subsided altogether, they are no longer acute. Further currency changes are not now looked upon as imminent, although their possibility in the long run is still envisaged.

On second thought, a repetition of the German revaluation is no longer expected in the immediate future. It stands to reason that the German authorities would first want to ascertain how the 5% revaluation will work out in the long run before deciding to revalue the D. mark once more. It is true, from the point of view of its immediate effect, the 5% change was decidedly disappointing. But it will take at least six months before the full effect on the German balance of payments becomes evident. The last thing the West German government would want to do is to impose a too-heavy handicap on German exports, especially as it remains to be seen whether the 5% revaluation will be able to check the inflationary trend at home.

### Doubts Swiss Will Revalue

Switzerland could well afford to revalue the franc. On the other hand, it could also well afford not to revalue the franc. Inflation is well under control, so that from that point of view it is not necessary to resort to drastic currency measures. It is against the conservative spirit of Swiss monetary policy to change the parities unless this appears inevitable.

France, too, could well afford to revalue the franc, especially because the improved outlook of a settlement of the Algerian problem is certain to cause wholesale repatriations of French capital, leading to a sharp increase in the gold and dollar reserve. But we must bear in mind that such an increase would mean an increase in the economic and political power of France, and that it is inconceivable that President de Gaulle would do anything to weaken his chances of being able to make himself felt in international affairs as a result of his control over large gold and dollar reserves. For him, a revaluation would mean renunciation of the possibility of making political use of the increased reserves, and he is quite incapable of such renunciation.

In spite of the Italian miracle of recent years, the Italian government would be reluctant to take any step which might reverse the influx of gold. There is still unemployment in Southern Italy, and a discouragement of the industrial boom in Northern Italy through a revaluation of the lira might upset the delicately balanced situation in domestic politics.

As for Belgium, the Congo difficulties have weakened the reserve position, and it seems unlikely that the government would decide to weaken it further by means of a revaluation.

### Sterling Will Be Defended

Nor are any devaluations to be expected. It is true, sterling's position and prospects leave much to be desired. But it is safe to assume that the government will be fully as determined as it was in 1957 to defend sterling regardless of cost. We may witness a persistent pressure on sterling in the summer and autumn, but it is inconceivable that the government would yield to such pressure.

There is decidedly less talk about the dollar than there has been at any time during the last two years or more. It is true, those in favor of its devaluation continue to repeat their all-too-familiar arguments. But so long as the new Administration continues to exercise sensible moderation the dollar will be looked upon with a reasonable degree of confidence. It is only if the New Dealer wing of Democrats should succeed in gaining influence that acute dollar scare are likely to revive on a large scale. The weakening of the possibility of further revaluations should help the dollar, because it tends to check the outflow of funds from the United States.

Having said all this, it is necessary to warn against complacency. Even though the acute scare resulting from the D. mark revaluation has abated, the undertone of the foreign exchange markets has remained restless, and the slightest cause is liable to revive a revaluation or devaluation scare. Both the United States and Britain—especially the latter—has to take great care not to weaken the defenses of the national currency.

### Restoring Equlibrium

The ideal solution of the fundamental disequilibrium that continues to prevail would be an inflationary rise in prices in countries whose currencies are undervalued. There is some progress in that direction in Germany and in other countries, but it would have to proceed a great deal further before international equilibrium is restored, even if in the meantime prices and costs in Britain and in the United States should remain stable. And that is a big "if." Neither inflation in Western Europe nor further revaluations would be of the slightest use to sterling or the dollar if their effect were to be annulled by the progress of inflation in Britain and in the United States. Whatever policy other countries may pursue, the defense of the dollar and of sterling makes it imperative for Washington and London to pursue a policy of resistance to inflation.

## Lowell, Murphy Branch

Lowell, Murphy & Co., Inc., of Denver, has opened a branch office at 63 Wall St., New York City, under the management of Michael J. Vode.

## Now Daugherty, Cole

PORTLAND, Ore. — The firm name of Daugherty, Butchart & Cole, Inc., 729 Southwest Alder St., has been changed to Daugherty, Cole Inc.

# A Decade of Efforts to Obtain Pensions for Self-Employed

*By* Hon. Eugene J. Keogh,* *United States Representative (D—N. Y.)*

**An up-to-date appraisal of, prospects for and amendments to H. R. 10, which would allow voluntary pension plans for the self-employed, are discussed here by the patiently active author of that bill. The difficulties in getting the bill passed since its introduction last 1951 are recounted as well as the arguments favoring the bill's objectives. Congressman Keogh is particularly concerned with the inequity of present tax laws and how it threatens to decrease the ranks of the self-employed in our economy.**

The following editorial appeared in the *Miami News*, Nov. 22, 1959:

**Our Forgotten Neighbors, The Aging**

*Golden Years?—When men or women reach the age of 65, they embark on what romanticists term "The Golden Years." But how "golden" is it to exist on $100 a month? For those who haven't set money aside for these allegedly "Golden Years," aging turns into "Tragedy."*

Let us stop a moment and consider the fact that of the 16 million men and women over 65, close to 10 million must somehow manage to exist on $1,000 a year or less. It is obvious that when an emergency strikes, the financial means to meet this crisis are usually beyond the reach of the aged and even the most dutiful and conscientious sons and daughters. Because we are living longer, an increasing number of children in their 50's and 60's are bearing the burden of support of their parents.

Hon. E. J. Keogh

I think this clearly points out why for the past 10 years I have been sponsoring and seeking the enactment of H.R. 10—a bill to encourage the establishment of voluntary pension plans by self-employed individuals.

The self-employed in this country have a very important stake in this legislation because it provides a basis for their future planning to which they have every right, and I am dedicated to making it possible for them to look ahead to their personal future and eventual retirement.

**Not Original With Us**

I should tell you at the outset that we are not pioneers in this field because the very principle embodied in this bill has been adopted and enacted in Great Britain, in Canada, and in Australia.

Do you know that under existing tax regulations there are approximately 10 million self-employed persons who, by law, cannot do that which may be done by every other working individual? Who are the self-employed? The self-employed are those who, by law, cannot or, by choice, do not operate as corporations. They have no employer to establish a retirement system and are not employees for whom, under existing law, a system may be established. However, their right to do so is generally recognized by all who have given even cursory thought to the potent and glaring omission in the present Internal Revenue Code.

Appearing before the Senate Finance Committee on June 17, 1959, the then Assistant to the Secretary and later General Counsel of the Treasury Department, David A. Lindsay, in addressing himself to the subject of the self-employed retirement bills pending before the Committee, said: "The Treasury recognizes that present law does not give self-employed persons tax treatment for their retirement savings comparable to that now accorded to employees covered by employer-financed pension plans."

**Present Law's Inequity**

To illustrate this recognized inequity in the present tax law, let's take, for example, an individual—perhaps an attorney—who works for a corporation which pays him $10,000 a year as salary and puts an additional $1,000 in a retirement fund for him each year. Our attorney is not taxed on the $11,000 yearly compensation because the tax law allows him to postpone the payment of taxes on the $1,000 contributed to his retirement fund by his employer until he actually receives the income in later years. Also, the interest earned on this money would not be taxed currently. After 30 years, assuming a 4% compound interest rate, the retirement fund for this employee would total $58,300.

On the other hand, let's assume that this same attorney chose to operate as a self-employed individual. He earned $11,000 and wished to set aside $1,000, less taxes, each year for retirement. He would have accumulated $36,900 after 30 years, assuming the same 4% compound interest rate. This is because, after paying taxes on the $1,000, he would have $740 left to set aside for retirement—and the interest on the fund would also be taxed.

The difference, which amounts to $21,400, is a heavy price to pay in order to maintain the individualism which is so characteristic of the self-employed and this great democracy of ours. While the difference, or the loss of $21,400, is highly significant today, stop and reflect for a moment on the added significance it will have when the individual reaches age 65, or his retirement.

The basic purpose of my bill, H. R. 10, is to remove a fundamental tax inequity which has existed for 19 years. In 1942 the Congress amended the Internal Revenue Code to encourage employers to establish qualified pension and profit-sharing plans for their employees by granting employers deductions for contributions to such plans and by deferring a tax on the employees until benefits are derived under the plans. The soundness of this Congressional action is sustantiated by the fact that at the present time there are approximately 50,000 such plans in existence, covering an estimated 20 million employees. The number of participants is increasing by approximately one million people per year. Unfortunately, until H. R. 10 or similar legislation is enacted, the millions of self-employed in this country will not be permitted to operate under this tax regulation. In fact, these 10 million people are being penalized — you know many of them as physicians, lawyers, dentists, architects, engineers, etc. These are but a few of the numerous professional, small business, and farm groups who are being adversely affected by this gross inequity.

This inequity in the tax law did not arise through legislative intent as many seem to believe. Rather, it grew out of a solution to the technical problem of when to tax sums set aside for an employee but not yet received by him under the terms of a qualified employee benefit plan.

**Bank of New York's Findings**

The practical effect of this inequity is to make it extremely difficult for the self-employed person, at any level of income, to set aside adequate amounts for latter year benefits. I know that many are familiar with a survey conducted by a certain bank in New York City (Bank of New York) relating to the financial planning practices of more than 6,000 professional men and women. According to the results, fewer than three out of every 10 self-employed persons — by their own admission — now have a planned retirement program of any kind.

The basic pension plan in this country is the Federal Old Age and Survivors' Disability Insurance Program administered under the Social Security Act of 1935, as amended. But Social Security is a foundation on which to build a sound retirement program, not a substitute for private savings, insurance protection, or pension plans.

Employment within the economic structure of American society is based upon a concept of a limited period of participation in productivity, accepts a time of retirement, and assumes that a considerable period of life will remain following retirement from the labor force.

Due to the economic demands of everyday living in these times, the self-employed individual who has not reached peak earning power will be unable or unwilling to divert such income to retirement savings. In many professional fields, the young man, because of necessary expenditure of time on education and military service, does not commence remunerative activity until an average age of 30 or 31. For a considerable period thereafter, his income does not so exceed the initial investments required to establish his practice and for his necessary occupational and family financial commitments as to allow diverting appreciable amounts of money to retirement.

H.R. 10 is a voluntary savings plan, and its greatest immediate utilization will be by those individuals who, while now at the peak earning power stage, are relatively much closer to retirement ago.

Please keep in mind—the proponents are not attempting to scrap the present program. What we are attempting to do is to extend this privilege to those decent, honest Americans who, for the most part, constitute a very important segment of this country, the existence and the continuance of which will make this great country of ours as different from most in the free world and all behind the Iron Curtain.

**Background History**

In discussing the plan for voluntary pensions for self-employed individuals, I believe that I should give a brief review of the prelegislative as well as the legislative history.

In 1945 a group of New York attorneys met and inaugurated discussions on ways and means of providing such a restricted retirement program, not only for themselves and other self-employed individuals but also for the 30-to-40-million employees who were not covered by any such vountary employer-employee pension benefit plan. It was hoped that this could be done under Secton 165 of the Internal Revenue Code under which such other employee plans have been permitted. But it was found that such a program could not qualify under the Treasury Department's ruling.

Five years later, in 1950, the American Bar Association appointed a committee on the general problem of retirement benefits. The New York State Bar Association played a prominent role in these studies from which resulted the drafting of legislation before Congress.

I introduced the original bill in the 82nd Congress with the late Dan Reed of New York as my Republican counterpart.

This was in 1951; as expected, it immediately attracted nationwide support from most professional groups, including the American Medical Association, the American Dental Association, and numerous other self-employed organizations. No action was taken by the House Ways and Means Committee during that session, and the bill died with the adjournment of Congress.

The following year Mr. Reed became chairman of the Ways and Means Committee, and the legislation was once again introduced with the Representative from Ohio, the late Tom Jenkins, succeeding Mr. Reed as the Republican sponsor. There was an effort made to incorporate a modified retirement bill in the omnibus tax revision bill, but this move failed and all legislation again died with the adjournment of Congress in 1954.

H.R. 10 met a similar fate in the 84th Congress. The first breakthrough came in the 85th Congress as the Ways and Means Committee and the House of Representatives both passed the bill. However, it went to the Senate so late in the session that it was not considered by the Senate Finance Committee and died once more with the close of the session.

My friend, Tom Jenkins, did not run for reelection in 1958 so the sponsorship on the Republican side of the aisle shifted to the late Richard M. Simpson of Pennsylvania. This legislation came of age in the 86th Congress as identical bills to H.R. 10 were introduced by 25 members of the House of Representatives. Approximately one month after the opening of Congress, the House Ways and Means Committee reported H.R. 10; and on March 16, 1959, the House passed H.R. 10 almost unanimously.

The Senate Finance Committee held extensive hearings on H.R. 10, and in June of last year reported a modified version of our bill by a 12-5 vote. While there appeared to be sufficient support in the Senate to enact the bill, the leadership of both parties agreed that because of the pressure of other business it was not feasible to debate H.R. 10.

**Treasury Reverses Its Opposition**

Up until this year H.R. 10 had received considerable opposition from the Treasury Department, based primarily upon loss of revenue. However, after considerable research, the Treasury had a change of attitude and made a number of recommendations to the Senate Finance Committee in April of last year. This removed the log jam which the Treasury Department had created during the past sessions of Congress since the bill was first introduced in 1951. The bill was then reported out by the Senate Finance Committee to the Senate.

Our attention is now focused on the 87th Congress which convened on Jan. 3 of this year. While we made immeasurable progress in the last Congress, it was necessary for us to start again from the beginning—and let me emphasize the beginning — for all bills not enacted into law automatically die at the end of a Congressional session.

**Other Bills Have Joined In**

I introduced the bill on the opening day and am pleased that since that date seven separate bills on this subject have been introduced in the House of Representatives. Congressman Anfuso of the 8th District (Kings County) and Congressman Zelenko of the 21st District (New York County) are included in this illustrious group.

The interest on the Senate side is most encouraging as three separate bills have already been introduced by three members of the Senate Finance Committee. The Democratic sponsors are Senator Smathers of Florida and Senator Hartke of Indiana. The sponsor from the minority side of the Committee is Senator Bennett of Utah.

The newest version — officially titled the "Self-Employed Individuals Retirement Act" — embraces a somewhat different approach than in prior Congresses. Instead of allowing the self-employed a limited tax deduction for amounts voluntarily set aside for their retirement either in restricted trusts or insurance or annuity policies, the present H.R. 10 adopts the general form of the Senate Finance Committee bill of the 86th Congress which would have brought self-employed persons under existing legislation relating to non-discriminatory, tax-favored private retirement plans by allowing them to be treated as their own employers and employees.

**Important Changes**

The new bill, however, makes a number of important changes over the Senate draft: (a) it eliminates all proposed restrictions on corporate pension plans covering so-called "owner-employees"; (b) it does not require a self-employed person to include his employees under the plan unless they are more than three in number (excluding part-time or seasonal employees); (c) it modifies the severe limitations of the Senate bill on the amount of contributions which can be made on behalf of owner-employees (i.e., sole proprietors and partners having more than a 10% interest in the business); and (d) it bases the self-employed individual's contribution on the amount of his "self-employment earnings" rather than on his "earned income" from the business.

Other features of the pending bill include the following:

(1) Where there are more than three employees and the plan covers any "owner employee," the employees' rights must be nonforfeitable for the plan to qualify.

(2) There is no "stepped up" contribution for persons over age 50 and no lifetime limit on contributions.

(3) Contributions to the plan in behalf of owner-employees may not exceed the greater of (a) $2,500 or 10% of self-employment earnings, whichever is the lesser, or (b) where there are more than three employees and the plan covers any "owner employee," the same ratio of contributions to compensation as applies to any employee.

(4) Partners having not more than a 10% interest in the business are in general affected by the same rules as true employees.

(5) The plan cannot have a waiting period for employee coverage of more than three years (instead of five years as under qualified pension plans generally).

(6) No benefits can be paid to an owner-employee under the plan before he reaches the age of 59½ years, except in case of disability, and must commence not later than age 70½.

(7) Retirement benefits payable to a self-employed will be taxed as ordinary income as and when received, except that (a) in lieu of capital gain treatment, lump-sum payments after age 59½ (and after at least five years coverage) or on death or disability shall not be subject to tax greater than five

*Continued on page 19*

# THE MARKET . . . AND YOU

*BY WALLACE STREETE*

Rails finally came to life in this week's stock market to bolster a sagging industrial section and give the chart followers all they had hoped for to pave the way, in theory, for the senior section to make an all-out assault on the historic high.

This action by the Dow indices was largely anti-climatic since other averages had already broken out into all-time high ground, notably the most comprehensive one around, the 425-stock industrial average of Standard & Poor's.

**Uncertainty Resolved**

It did, however, end a note of uncertainty and stock market strength has never thrived on uncertainty for any great length of time. The margin for the Dow industrial average is a slim one if it intends to better its historic high. Even without the help of the rails it had worked to within seven points of the 685 peak posted early in January of last year.

Trading continued to run unusually heavy, the "norm" for trading keeping above five million shares per day. By comparison, there were only two sessions with that turnover all last year. The pace was even more spirited than that in the early months of 1929 which was the year of record stock market turnover and the only year in history that saw trading hit a billion shares.

**Comparative Volumes**

The total this year already is above a quarter billion by a considerable margin. The important difference between the two eras is that in that bygone year the listings averaged less than a billion shares so turnover then came to 119% of the total shares listed. The share total now is more than 6½ billion and the turnover is only running at a rate of around 17%, a moderate increase from last year's subdued 12% figure.

The markets continued to generate their own strength, aided somewhat lately by a few tentative signs that better weather is bringing a business pickup which could be the early signs that the recession is over. Predictions of better operations for the steel mills and renewed demand for automobiles were common but not yet backed by any concrete signs that all the problems of these two important segments of the economy are finally out of the doldrums.

Investors seem to have no qualms, however, and any issue that showed it could move higher with vigor attracted new followers and the pattern of excessive price gains by a few items in pinpoint demand continued to characterize almost any session. Pfaudler Permutit, which only joined the senior board's listed wares last November, so far this year has carved out a 40-point range from its low of 47 which is action that many old-line favorites haven't been able to boast in a long time.

Even Texas Instruments, one of the more volatile issues last year, hasn't run over a 40-point arc this year, nor has du Pont despite the fact that it is usually one of the wide swinging stocks in the blue chip section.

Utilities continue to make slow but impressive progress and their average is nudging a peak not seen for more than 30 years. Of the components of this average, Consolidated Edison was the newcomer as the leader, making some solid appearances on the lists of new highs, including an occasional 2-point gain which isn't the normal habit of issues in this staid corner.

**Pinpointing Yields**

The pinpointed demand left many issues ignored where value is still to be obtained along with yields that are still above average. In the utility group, Boston Edison is the item available recently at a return of 4% when elsewhere in the "growth" issues dividends were either non-existent or miniscule. The territory served by Boston Edison is a mature one so the odds are against any startling change in its pattern of slow but steady improvement in both revenues and earnings. There is some industrial expansion in its area, however, so it hasn't on any surface indications reached the end of the road and, unless dividends are completely out of style, is a candidate for an improvement in its current payout ultimately, possibly this year.

**A Friendless High-Yielder**

Union Tank Car would seem to have few friends around. Its yield is 4½%. The shares have held in about a six point range so far this year and even investor attention to the railroad industry failed to budge it significantly.

Union Tank suffers, perhaps, from too much attention to its dependence on thriving railroad operations. Only about a third of its revenues come from its tank cars that transport liquid products. Over half of its business is in various fabricating and storage equipment for heavy industry which would stand to benefit importantly from a general business upturn. Even in the face of the recession the backlog for this end of its business had increased by half at the end of last year over the year before.

To some of the followers, Union Tank's real promise is in its export-import business which is its newest division, serving thriving overseas areas in Europe and Asia with a wide variety of products. It all added up to virtually unchanged revenues last year despite the recession, earnings higher without the help of added sales.

General Railway Signal was another unaffected by the switch by traders to the rails, although the stock has a record of being able to capture the public eye at times. Like Union Tank, it is regarded as being largely tied in with railroads when the fact is that it has been expanding into lines not at all related to carriers, including such as mechanical floor polishers and plane guidance systems.

**Oils Restrained**

The oil stocks, despite some early stirring early in the year that brought predictions that this would be an "oil year," had simmered down to restrained action for the most apart from a temporary flareup in Royal Dutch, first in a long time, after favorable dividend action. Union Oil was also quiet despite the tug-o-war over it between Phillips Petroleum with its large block of common stock and Gulf Oil with its quarter billion holding of convertible debentures that could be converted into control stock.

In its own operations, apart from its value as a merger candidate, Union Oil's promise is in its petrochemical work conducted through an 80% owned subsidiary, Collier Carbon & Chemical. Union Oil has decided to expand its own participation in petrochemicals from natural gas with a plant completed late last year that should bolster the parent company's own profit potential. Its profit reports for the last three years have been showing an increasing trend after the company, as the oil industry itself, had suffered a bit between 1957 and 1958.

Olin Mathieson was in the limelight to a degree after announcing progress toward direct production of aluminum from clay, giving the shares a play that was the first in a long time. Like many other concerns, Olin last year reported a moderate decline in sales, but the blow was softened a bit because those in 1959 were highest on record. Olin's aggressive diversification in recent years has reduced its dependence on the chemical market for less than a third of sales now.

*[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]*

# Commonwealth of Massachusetts Bonds Marketed

An underwriting syndicate formed by the merger of three individual groups was the sole bidder on March 21 for the issue of $62,547,000 Commonwealth of Massachusetts Various Purpose Bonds, due April 1, 1962 to 2010, inclusive. The merged syndicate jointly managed by The Chase Manhattan Bank, The First National City Bank of New York, Bankers Trust Co., The First National Bank of Chicago, Lehman Brothers, The First Boston Corp., Halsey Stuart & Co., Inc. and Phelps, Fenn & Co. bid 100.0361 for the bonds as 3½s, resulting in a net interest cost of 3.497267% to the borrower.

On reoffering to the public, the bonds are priced to yield from 1.60% to 3.85%, according to maturity.

Other members of the underwriting syndicate include:

Chemical Bank New York Trust Co.; Morgan Guaranty Trust Company of New York; Blyth & Co., Inc.; Harriman Ripley & Co., Inc.; Smith, Barney & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co.; Harris Trust and Savings Bank; Continental Illinois National Bank and Trust Company of Chicago;

The Northern Trust Co.; C. J. Devine & Co.; Eastman Dillon, Union Securities & Co.; Glore, Forgan & Co.; Kidder, Peabody & Co.; Kuhn, Loeb & Co.; Drexel & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.;

White, Weld & Co.; The Philadelphia National Bank; R. W. Pressprich & Co.; L. F. Rothschild & Co.; Blair & Co., Inc.; The First National Bank of Boston; Mercantile Trust Co.; Seattle-First National Bank; Ladenburg, Thalmann & Co.; Bear, Stearns & Co.; Carl M. Loeb, Rhoades & Co. F. S. Moseley & Co.;

Shields & Co.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; Hornblower & Weeks; A. C. Allyn and Company, Inc.; Equitable Securities Corp.; B. J. Van Ingen & Co., Inc.; Wertheim & Co.; G. H. Walker & Co.; Hemphill, Noyes & Co.; Dean Witter & Co.; The First National Bank of Oregon;

The Boatmen's National Bank of St. Louis; United California Bank, Los Angeles; Weeden & Co., Inc.; John Nuveen & Co., (Inc.); Dick & Merle-Smith; Adams, McEntee & Co., Inc.; W. H. Morton & Co., Inc.; Barr Brothers & Co.; Coffin & Burr Inc.; Bache & Co.; Francis I. duPont & Co.;

A. G. Becker & Co., Inc.; Hallgarten & Co.; J. C. Bradford & Co.; Braun, Bosworth & Co., Inc.; Geo. B. Gibbons & Co., Inc.; Kean, Taylor & Co.; Alex. Brown & Sons; First of Michigan Corp.; Clark, Dodge & Co., Inc.; Dominick & Dominick; and Stroud & Co., Inc.

# Wiley-Kiernan Agency Formed

On March 20, two advertising agencies, one 91 years old and the other 23 years old, joined forces under a new name creating Wiley - Kiernan Incorporated, 15 William Street, New York City.

There is a long history behind the companies dating back to 1870 when the Kiernan Foreign and Telegraphic Agency went into business at Wall and Broad Sts., the site of the present New York Stock Exchange. The founder, John J. Kiernan, later went into partnership with ex-banker Albert Frank. The shop was known as Frank, Kiernan & Co. When John Kiernan died, his son Frank carried on the business. And since his first name was Frank, he merely removed the comma from the old company name of Frank, Kiernan, and continued the business until later years, when he passed the business on to his son Russell.

Walter Wiley began his career in financial advertising with Albert Frank - Guenther Law. In 1938 he went into business for himself.

Wiley-Kiernan offers public relations in addition to full ad services.

# McCormick V.-P. Of Eppler Guerin

DALLAS, Tex. — James C. McCormick has been elected a vice-president and a member of the board of directors of Eppler, Guerin & Turner, Inc., Fidelity Union Tower, members of the New York Stock Exchange it was announced by John W. Turner, President.

James C. McCormick

Mr. McCormick has been secretary of the firm since 1957 and will continue in that capacity also. In addition, he is head of the Eppled, Guerin & Turner research department.

He is vice-president of the Dallas Association of Investment Analysts, chairman of the ethics committee of the National Association of Investment Analysts, secretary of the Dallas Association of Security Dealers, an Allied Member of the New York Stock Exchange, and a member of the National Securities Traders Association.

# Smith, Barney in New S. F. Office

SAN FRANCISCO, Calif.—Smith, Barney & Co., 88-year-old investment banking firm and members of the New York and Pacific Coast Stock Exchanges, moved its San Francisco office over the week-end to The Equitable Life Building at 120 Montgomery St. The office, heretofore in the Russ Bldg., continues under the management of Theodore L. Haff, Jr. The new office, considerably larger than the old one, is staffed by professional investment specialists and equipped with the most modern technical and mechanical facilities, including private teletype and telephone lines to other Smith, Barney & Co. offices, stock quotation services and a Dow-Jones News ticker.

A major national underwriter of corporate and municipal securities, the firm also has offices in New York City, Philadelphia, Chicago, Boston, Albany, N. Y., Allentown, Pa., Cleveland, Dallas, Hartford, Conn., Milwaukee and Minneapolis.

# NEWS ABOUT BANKS AND BANKERS

*Consolidations • New Branches • New Offices, etc. • Revised Capitalizations*

Joseph E. Morris, 64, Senior Vice-President of **First National City Bank, New York,** died on March 14. He was also Executive Vice-President of **First National City Trust Co.**

He began his career in 1919 with the **Franklin Trust Co., Brooklyn, N. Y.** which was absorbed by the **Bank of America,** which in turn, was merged with the National City Bank and its trust predecessor **City Bank Farmers Trust Co.,** in 1931. Mr. Morris was appointed Senior Vice-President in 1960.

* * *

The stockholders of the **First National City Bank of New York,** will attend a special meeting April 18, to vote on the proposed merger with the **National Bank of Westchester, White Plains, New York.**

* * *

**First National City Bank, New York** opened its 90th metropolitan branch March 23 in the Auburndale-Bayside section of Queens. The branch is located on Francis Lewis Boulevard at the intersections of 35th Avenue and Crocheron Avenue.

William J. Doughty has been appointed manager of the Francis Lewis Boulevard Branch. Mr. Doughty has been with the Bank since 1931 and comes to the branch from the Broadway-56th Street Branch in Manhattan.

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**First National City Bank, N. Y.** will open a branch in Campinas, Brazil, March 18, with Ivo Tonin as Manager. This is the Bank's 80th overseas branch and the 10th in Brazil.

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Robert J. Mangum and Leo E. White, former Assistant Secretaries, have been appointed Assistant Vice-Presidents of **Chemical Bank New York Trust Company, New York.** Both are with the Bank's Metropolitan Division.

Norman A. Staples, Joseph Wiesenthal and John H. Yoe, former Assistant Secretaries, have also been appointed Assistant Vice-Presidents. All are with the Bank's Metropolitan Division.

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**Chemical Bank New York Trust Company, New York,** opened on March 20, its first suburban office in the Eastchester shopping Center, Scarsdale. Authorized under the state's new Banking Law, which permits New York City Banks to extend their operations into Nassau and Westchester counties, this office will serve the Vernon Hills Shopping Center in the Scarsdale-Eastchester area.

James Nold will be Manager. Herbert Jarvis, will be Assistant Manager. Chemical New York's Metropolitan office system is in charge of John L. Gibbons, Executive Vice-President. Regional Vice-President William A. Frey, is Supervising Officer of the new Office.

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**Chemical Bank New York Trust Company, New York** has requested permission of the New York State Banking department to open a branch office in Port Richmond, Staten Island, N. Y.

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Appointments of Lee Spelke as an Assistant Secretary and Herbert F. Hanson as an Assistant Trust Officer of **Manufacturers Trust Company, New York** have been announced.

Mr. Spelke, joined the Bank in 1956. He was appointed Assistant Branch Manager in 1959 and is assigned to the Bank's Empire State Office.

Mr. Hanson came to the Bank, in 1931. He is assigned to the Bank's Personal Trust Dept.

Douglas C. Welton, Senior Vice-President of **Dry Dock Savings Bank, New York** was elected to the Board of Trustees.

* * *

Chairman of the Board and former President of the **Royal State Bank, New York,** Henry G. Barber, 66, died March 16.

Mr. Barber's career began as a bank examiner for the Federal Reserve System. He has served as Executive Vice-President of the **Bronx National Bank,** Vice-President of **Manufacturers Trust Company,** and **Sterling National Bank.** In 1950 he joined the Royal State Bank and several years later was elected Board Chairman.

* * *

**Bank Leumi Le-Israel** has applied to the State Banking Department to convert its New York City agency to a branch. With this application the number of branches applied for is four.

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The names of seven members are on the roster of the Quarter-Century Club of **The Dime Savings Bank of Brooklyn, N. Y.** following their induction at the club's 12th annual dinner at Hotel Granada, March 13.

The seven new members, who in the past year completed 25 years of service, were welcomed into the Quarter-Century Club by Mr. George C. Johnson, Chairman of the Bank's Board of Trustees and Honorary Chairman of the club.

The new members include: Janet MacNaughton, Leslie P. Englehardt, Herman Hoffmann, Dorothy E. Brown, Ralph E. Erb, Fred Anderson, and Winthrop Trowbridge.

* * *

**The National Bank of Westchester, White Plains, White Plains, New York,** has increased its common capital stock from \$5,499,415 to \$5,719,390, by a stock dividend, effective March 10. (Number of shares outstanding 1,143,878 shares, par value \$5).

* * *

**The First Westchester National Bank of New Rochelle, New Rochelle, New York,** with common stock of \$1,872,720 and **The First National Bank and Trust Company of Ossining, Ossining, N. Y.,** with common stock of \$231,500, have received approval from the Comptroller of the Currency for their consolidation under the title of the First Westchester National Bank of New Rochelle, with capital stock of \$2,197,395, divided into 439,479 shares of common stock of the par value of \$5.

* * *

**The Peoples Bank of Rockland County, Haverstraw, New York,** has received approval from the State of New York Banking Dept. to increase its common capital stock from \$200,000 to \$300,000, consisting of 12,000 shares of the par value of \$25 each.

* * *

By the sale of new stock, the **Second National Bank of New Haven, New Haven, Conn.,** has increased its common capital stock from \$1,653,750 to \$1,819,125, effective March 7. (Number of shares outstanding 145,530 shares, par value \$12.50).

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**The Gettysburg National Bank, Gettysburg, Pa.,** has increased its common capital stock from \$625,000 to \$750,000, by the sale of new stock, effective March 8. (Number of shares outstanding 150,000 shares, par value \$5).

* * *

The common capital stock of the **Cement National Bank, Northampton, Pa., Northampton, Pa.,** has been increased from \$200,000 to \$400,000 by a stock dividend, and from \$400,000 to \$500,000 by the sale of new stock, effective March 8. (Number of shares outstanding 50,000 shares, par value \$10).

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**The Littlestown State Bank,** Littlestown, Pa., has changed its title to **Littlestown State Bank and Trust Company,** effective Jan. 26.

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The Office of the Comptroller of the Currency has approved the merger of the **Citizens National Bank of Bedford, Bedford, Va.,** with common stock of \$100,000, into the **First National Exchange Bank of Roanoke, Roanoke, Va.,** with common stock of \$2,688,000, under the title of the **First National Exchange Bank of Roanoke,** with capital stock of \$2,838,000, dividend into 283,000 shares of common stock of the par value of \$10.

* * *

**The Guaranty National Bank of Huntington, Huntington, W. Va.,** has increased its common capital stock from \$500,000 to \$750,000, by a stock dividend, effective March 6. (Number of shares outstanding 15,000 shares, par value \$50).

* * *

By a stock dividend, the **La Salle National Bank, Chicago, Ill.,** has increased its common capital stock from \$3,375,000 to \$3,750,000, effective March 6. (Number of shares outstanding 150,000 shares, par value \$25).

* * *

**The Palmer First National Bank and Trust Company of Sarasota, Sarasota, Fla.,** has increased its common capital stock from \$500,000 to \$1,000,000 by a stock dividend, effective March 10. (Number of shares outstanding 10,000 shares, par value \$100).

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**The Colorado Savings and Trust Company, La Junta, Colorado,** has changed its title to **The Colorado Bank and Trust Company of La Junta,** effective Feb. 17.

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Formal approval by the Board of Directors of **Crocker-Anglo National Bank, San Francisco, Calif.** of the merger in which the **First National Bank in San Rafael** and the **Bank of San Rafael** will merge into and become part of Crocker-Anglo was announced by Crocker-Anglo President Paul E. Hoover. The Board of Directors of the San Rafael Banks previously had voted approval of the merger plan at a meeting held on March 10.

Under the terms of the merger, shareholders of the Bank of San Rafael and its affiliate, the First National Bank in San Rafael, will receive two shares of Crocker-Anglo stock for each combined share of the stock of the Bank of San Rafael and the First National Bank in San Rafael.

The proposed merger is subject to approval by the respective shareholders and the constent of supervisory authorities. The Crocker-Anglo Directors called a special meeting of Crocker-Anglo shareholders for May 23 for the purpose of considering and acting on the merger. Shareholders of the San Rafael banking institutions will meet on May 18 to vote on ratification of the merger agreement.

Total deposits of the San Rafael banking institutions will increase by some \$53,000,000 Crocker-Anglo's total deposits of more than \$1,650,000,000; their combined \$60,000,000 in assets will be added to Crocker-Anglo's assets of more than \$1,850,000,000; and the San Rafael banks' total of approximately \$6,000,000 will be joined to Crocker-Anglo's \$127,000,000 in capital accounts.

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Dean Anderson has been named a Director of the **Pacific National Bank of San Francisco, Calif.**

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By the sale of new stock, the **First National Bank of Nevada, Reno, Nev.,** has increased its common capital stock from \$8,250,000 to \$9,075,000, effective March. 8. (Number of shares outstanding 907,500 shares, par value \$10).

* * *

The election of Mr. Bernard Sunley, to the Board of Directors of **The Bank of Nova Scotia Trust Company (Bahamas) Limited** has been announced by the Chairman, Mr. F. Wililam Nicks. Mr. Nicks is also President of **The Bank of Nova Scotia, Toronto, Canada.**

## Automation Labs. Stock All Sold

Public offering of 66,700 shares of the common stock of Automation Laboratories, Inc. was made on March 21 at a price of \$4 per share by Sandkuhl & Company, Inc. The stock was all sold.

Net proceeds from the sale of the common shares will be used to procure additional machinery, equipment and inventory; to continue production of newly developed products; to promote sales and seek new markets; and to expand research and development of new products. Balance of the proceeds will be added to the company's working capital.

Incorporated in 1955, Automation Laboratories, Inc. is engaged in developing, manufacturing and marketing a diversified line of specialized electronic instruments which have wide application in the missile, radar, infrared and television fields. In addition, the company performs equipment and technical arts designing subcontracting for other companies and publications.

The offices and manufacturing plant of the company and its divisions are located in Westbury, N. Y., and Mineola, N. Y.

Net sales of Automation Laboratories, Inc. for the six months period ended Oct. 31, 1960 amounted to \$74,853. For the fiscal year ended April 30, 1960, net sales were \$46,375.

Upon completion of the current financing, outstanding capitalization of the company will consist of 134,200 shares of common stock.

## Now Best & Garey

WASHINGTON, D. C.—The firm name of District Securities, 2520 L Street, N. W., has been changed to Best & Garey Co. Inc.

# A Decade of Efforts to Obtain Pensions for Self-Employed

*Continued from page 16*

times the increase in tax resulting from the inclusion in gross income of one-fifth of the distribution and (b) distributions of $2,500 or more prior to age 59½ shall be taxed at not less than 110% of the liability which would have resulted had the distribution been spread over the taxable year and the four prior years.

(8) Retirement funds can be invested with a bank as trustee or used to purchase retirement annuities from an insurance company. Alternatively, the bill permits the plan to provide for custodial accounts to be set up with a bank if the investment of the contributions and earnings is made solely in regulated investment company stock and also allows the employer to purchase and distribute to his employees a special form of nontransferable U. S. Bond redeemable after age 59½ or disability and providing for the payment of interest only upon redemption. Investment can also be made in face-amount certificates.

(9) Although the regular prohibited transaction rules in code section 503 continue to apply in the ordinary situations, the term "prohibited transactions" is expanded to cover plans involving owner-employees owning more than 50% of the business where the trust directly or indirectly engages in the following transactions with certain related persons:

(a) lends any part of income or corpus of the trust

(b) pays any compensation for personal services to the trust,

(c) makes any part of its service available on a preferential basis, or

(d) acquires for the trust any property from, or sells any property to, the prescribed persons.

A special rule would supplement the provisions concerning prohibited transactions involving the making of loans by the trust.

### Reasons for Tax Deferment

Inflated living costs and high taxes make it difficult, if not impossible, for a large number of the self-employed to set aside funds for retirement without a tax deferment similar to that available to corporate employees.

I believe that unless something is done to make self-employment as financially attractive as employee status, there is a real danger that many professional men will bypass the private practice of their profession. My views on this subject were confirmed time and time again during the Congressional hearings by representatives of some of the largest self-employed associations in the country. Personnel directors whose primary function is to interview college and university seniors have told me that in a great many cases the first question asked by the students related to the retirement program, future security, etc.

The self-employed have practically no opportunity whatever to establish any reserves recognized by the Office of Internal Revenue, even if there is a surplus to put into a reserve. Yet the history of earnings of the self-employed indicates conclusively that they are particularly vulnerable to the ups and downs of business and to the oppressive effects of rising interest rates and shrinking capital markets.

The self-employed must continuously regenerate his income. For the most part, those who work for corporations or for the government can count on some compensation every payday. In a corporation, the employee no longer dreads incapacitation because of illness or work stoppage. The sole proprietor, on the contrary, unable to work is unable to generate income; and this occurs both during times of illness and in the declining years. In the typical self-operated business, as compared with salaried employees, the hazard is multiplied many times by the fixity of costs and expenses. The worst that can happen to an employee is that he can be let out with no termination pay and no continuing compensation whatever. The sole proprietor cannot get off so easy. He has his fixed expenses which must continue because his livelihood consists of performing this service.

It is vital to America to rely upon self-reliance, individual enterprise, and thrift. In the early days of this country, it was men of these qualities who made the nation grow, who drafted the Constitution, who conquered the wilderness and won the West. If we want to continue to develop this breed, the government must see to it that each citizen has a fair opportunity to succeed in a career in which he can most fully express his talent. His choice should not be restricted, for example, by tax inequities or economic hazards resulting from discriminating legislation which favors one group over others.

### Keeping the Self-Employed—Self-Employed

The stimulating drive which serves to keep the nation's highly capable self-employed scientists, engineers, and technological specialists mobile and adaptable is the constant need to solve diverse problems in a variety of ways or methods. Such technological versatility is essential to Americans today. Yet numerous specialists such as these are willing to go on a corporate or government payroll that must subtract from either creative endeavor or a substantial amount of time and energy to obtain some equivalent of that personal security which is the statutory right of corporation employees regardless of position.

The sociological implications of this bill and the benefits to be derived therefrom, especially in the field of such professions as medicine and engineering, are too tremendous to contemplate.

The provisions of H.R. 10 will be of particular benefit to those professional men and businessmen who go through a long and costly period of training and whose earnings are received in a comparatively short period of years when they are subject to high income tax rates.

In the Philadelphia area recently, a physician enjoying a large, and presumably profitable, private practice retired and took a position in a government hospital. He gave as his reason for doing so the fact that he had been unable to educate his children and at the same time save enough to provide for eventual retirement. He felt himself compelled to relinquish his self-employed status in order to receive the benefits of a pension fund. This is not an isolated case!

Today a self-employed can give up his private practice and go to work for a big corporation and get every benefit that we would give him under this law. I want him to get that benefit and yet remain a self-employed practitioner. I want to build up the idea of self-employment in this country of ours and play down the absolute necessity of making corporations bigger.

H.R. 10 rates high on my priority list for the 87th Congress; and I know that, in spite of a number of disappointments, it still occupies a prominent position in the minds of millions of self-employed Americans.

What are the chances for passage in this Congress? My answer is they are good; the chances for enactment are very favorable. Why am I optimistic? For a number of reasons. As I pointed out earlier:

### Prospects of Passage

This is sound and well considered legislation. H.R. 10 was first introduced in the 82nd Congress (1951). Since that time, it has been reported twice by the House Ways and Means Committee and passed twice almost unanimously by the House of Representatives. On June 17 of last year, the Senate Finance Committee, under the distinguished chairmanship of Senator Byrd, reported the bill by a 12-5 vote. Strong bipartisan support was indicated, with seven Democratic Senators and five Republican Senators voting in the affirmative.

In addition, I believe the record will show that the Senate Finance Committee in the 86th Congress devoted approximately 11 days to this one piece of legislation. Well over 400 statements and communiques are included in the official hearings on H.R. 10. I should add that the Committee had an opportunity to hear in great detail from a host of competent witnesses.

The present version is a better bill than those introduced in the past. This point has been confirmed several times; and, while the 87th Congress is only a month old, I have already received expressions of support from several Congressmen who in the past have been included in the very small minority opposing the bill.

H.R. 10 as it was passed in the House last year would have allowed the self-employed to allocate funds before taxes for their own retirement, without making any provision for their employees. In practically all quarters, the bill under consideration this year is regarded as a vastly improved and more equitable version than previous H.R. 10 legislation. Perhaps the most significant improvement is the inclusion of the employees of the self-employed, for it increases the potential coverage from 10 million to approximately 15 million people, and eventually it will be closer to 20 million.

Finally, in addition to the argument of equity and the inducement toward savings which would result from the pending measure, there is yet another and more enduring factor indicating a need for the passage of this bill.

We have long acknowledged the independent business and professional person as one of the chief sources of strength and vitality in a democratic system. Yet, with the growing centralization of our economy, the increasing corporate mergers, and the inducement of corporate employment, we find many talented, young professional and business people unwilling to accept the hazards of economic independence. In making possible some provision for their retirement, this bill would thus offer a genuine contribution to strengthening the position of the constructive and creative segments of our society.

H.R. 10 is, in my opinion, of such inherent importance to the economy of our country that it must be enacted during the course of this 87th Congress.

Justice should — and will — be done, the principle of H.R. 10 will become law.

*An address by Mr. Keogh before the 42nd Mid-Winter Trust Conference sponsored by the Trust Division of the American Bankers Association, New York City.

## B. O. Currey Dir. of Equitable Secs.

Brownlee O. Currey, Jr. has been elected a director of Equitable Securities Corporation, it is announced by Ralph Owen, President.

B. O. Currey, Jr.

A member of the syndicate department in the New York office of the firm, 2 Wall Street, Mr. Currey joined Equitable Securities in 1949, after graduation from Vanderbilt University. His father, the late Brownlee Currey, Sr. was formerly President of the corporation.

Mr. Currey served as a jet pilot with the United States Air Force from 1951 to 1954.

### Form F. R. Ernst Co.

BALTIMORE, Md.—F. R. Ernst & Co., Inc. has been formed with offices at 710 Frederick Road to engage in a securities business. Officers are Frank R. Ernst, President and Treasurer; Joseph Fetsch, Vice-President; and Henry R. Weisheit, Secretary. Mr. Ernst was formerly an officer of Maryland Securities Co.

# MUTUAL FUNDS

*BY ROBERT E. RICH*

## Down Jones

**Everyone is familiar with the tale of the non-swimmer who ventured into the stream on being told that the average depth of the water was only three feet, yet drowned because the informant neglected to mention that at some points it was as much as 10 feet deep.**

The danger in averages—stock averages, that is—is related even more graphically in a bulletin prepared by Distributors Group Inc., sponsor and investment adviser of Group Securities Inc. It is a tidy bit of sales literature that should prove an etxremely useful tool for anyone in the trade. Headlined "Dow-Jones Average Seen at 260!" it is bound to pull in the customers—to look, if not to buy.

It begins with a somewhat "sneaky" indication that the well-known index, the Dow industrials, is around 650 and can be expected to lose 60% of it. "Actually," it goes on, "we wanted simply to dramatize the d i f f u s i o n within the market, because if each of the 30 stocks that make up that average had acted since 1955-57 highs as the worst acting one has, that is where the average would be right now."

Although the bulletin does not mention the name of the bad actor, on inquiry we learned it was United Aircraft. At a quick guess, we'd have said Chrysler.

The bulletin makes this point too: "On the other hand, if all 30 had done as well as the best —in this particular period—the average would now be around 1,400!"

If you guessed that General Foods was the best, you guessed right.

The important point that will not be lost on fund salesmen, of course, is that the DJI is at neither 260 nor 1,400 for the very good reason that no one buys the market—or sells it, for that matter. People deal in stocks and even when they confine themselves to the blue-chip components of the Dow they get no guarantee.

Our bulletin raises the question: Is the market high or low? Its reply: "Frankly, it is a little like averaging the temperature in different parts of the world to determine whether you should wear an overcoat. It is where **you** are —or what **you** own—that counts."

You have to turn the page in the bulletin to get the commercial, which is stated briefly: "Faced with this confusion of values and price, and yet recognizing the benefits and advantages of ownership of American business, a constantly increasing number of people are turning to mutual funds. Aside from the convenience of having one certificate represent their investment in a broad list of companies, they recognize that this diversification spreads their risk, as well as their opportunities, and they like the idea of leaving the selection of the issues to professional people who work at the job full time."

The successful butcher, baker or candlestick maker may be outside his element in picking stocks, but he is determined to invest a part of his savings in stocks. And having some knowledge of corporate kingpins, he might as well have chosen United Aircraft or Chrysler as General Foods.

If he's a cautious man, chances are he'll confine himself pretty much to the "household word" companies. Of course, that will keep him from acquiring a stake in the "new industries" companies, where some of the sharpest advances have been scored.

If he's of a speculative turn of mind, he could become a patsy for tipsters and sharpies. Of course, that may in time, dampen his ardor for stocks and keep him from acquiring a portfolio of holdings which might otherwise have been helpful to him.

Distributors Group has made an excellent case in its bulletin for turning over the job of stock selection to experienced management.





# The Funds Report

**Axe-Templeton Growth Fund of Canada** reports an all-time high in the net asset value of its shares on Jan. 31, the end of the third quarter of the 1960-61 fiscal year. The share-value increased from $8.84 to $9.58 during the quarter. The increase was 24% in the 12 months from Jan. 31, 1960, to Jan. 31, 1961. Total net assets rose from $4,435,516 on Jan. 31, 1960, to $5,372,453 on Oct. 31, 1960, and $5,798,535 on Jan. 31, 1961.

The fund sold 202 shares of Philips Lamp at a price representing a five-fold appreciation. Holdings of British Columbia Forest Products, Canadian Tire, Handy Andy and Industrial Acceptance were increased.

* * *

Net assets of **Chemical Fund** topped $300,000,000 for the first time last week.

* * *

**Federated Research Corp.** reports that in the latest quarter it acquired Electronic Specialty Co., Foxboro Co., General Shale Products Corp., Lanolin Plus and S. S. White Dental Manufacturing. Positions in International Business Machines and Litton Industries were eliminated.

* * *

**Fidelity Management Group** of funds reported sales of $9,642,000 for January and more than $14,000,000 last month, both new peaks.

* * *

**Income Foundation Fund** reports that since Nov. 30, 1960, it has increased holdings of Crowell Collier Publishing, General Precision Equipment, Piper Aircraft, Prentice-Hall, Robertshaw-Fulton Controls, Sheraton Corp. of America, Sperry Rand and Statham Instruments. It also added to the portfolio 5,000 Lockheed Aircraft, 5,000 General Cable, 4,700 U. S. Plywood and 3,200 shares of Wm. Wrigley Jr.

The fund meanwhile eliminated holdings of E. I. du Pont, Grumman Aircraft and Hercules Powder. Holdings of International Business Machines were reduced.

* * *

**Institutional Growth Fund** declared a quarterly dividend of 6 cents a share from investment income, payable May 1 to stock of record April 3.

* * *

**Keystone Medium-Grade Bond Fund, Series B-2** and **Keystone Growth Common Stock Fund, Series S-3,** have declared regular distributions from net investment income of 54 cents and 14 cents, respectively. Both are payable April 15 to holders of record March 31.

* * *

**National Securities & Research Corp.** declared from net investment income quarterly distributions of 4 cents on National Bond, 11 cents on National Balanced and 5 cents on National Dividend, all payable April 15 to stock of record March 30.

* * *

**Nucleonics, Chemistry & Electronics Shares** reports changes in its portfolio for the first quarter, ended Feb. 28. Acquisition of 2,750 shares of Oxford Chemical, class A, represented a new purchase. It increased by 3,000 shares its stake in Applied Physics. Holdings of Cary Chemicals were reduced by 5,000 and Columbia Broadcasting System by 1,180 shares. The company eliminated its 5,100-share interest in Monsanto Chemical.

* * *

**Selected American Shares, Inc.** declared a dividend of 6 cents a share from investment income, payable April 27 to stock of record March 30.

The company also announced that at March 14 net assets were $113,658,443, or $9.96 a share. This compares with $95,242,676 and $8.73 a share a year earlier.

* * *

**Texas Fund Inc.** reports that at Feb. 28, first half of the fiscal year, net assets were at an all-time high of $41,298,936, or $11.08 a share, after adjustment for the 25 cent capital gain distribution of Sept. 16, 1960. This compares with $36,545,679 and $9.33 a share a year earlier. During the past quarter the company added to its portfolio United Carbon, E. J. Korvette and Merchants Fast Motor Lines. At the same time it eliminated El Paso Natural Gas and Aluminum Co. of America. It increased holdings of Frito, Shamrock Oil & Gas, Walter E. Heller, Shulton and James Talcott. Reed Roller Bit holdings were decreased.

* * *

Canadian Pacific Railway and Distillers Corp. - Seagrams have been added to the portfolio of **UBS Fund of Canada Ltd.** UBS last month also increased holdings in Aluminium, Bank of Montreal, Consolidated Mining & Smelting, Imperial Oil, International Utilities, Kerr Addison Gold Mines, Noranda Mines, Texaco Canada, Trans-Canada Pipe Lines and Trans Mountain Oil Pipe Line.

## New Statistical Summary On Investment Cos. for 1940-1960 Just Published

Statistics which m e a s u r e the growing acceptance of investment companies in present-day financial planning are detailed in a new booklet, "Investment Companies . . . A Statistical Summary, 1940-1960," just published by the National Association of Investment Companies, 61 Broadway, New York 6, N. Y.

This publication, prepared by the N.A.I.C. Research staff includes basic statistics which were started in 1940 and others which have been added in recent years. The collection and dissemination of composite statistics on the investment company industry is one of the major continuing activities of the N.A.I.C.

The summary represents various monthly, quarterly and annual statistics collected since their establishment by N.A.I.C. and illustrates the recent development of investment companies in the United States. It is estimated that more than 2.5 individuals and institutional investors are represented by the 5.2 million investment company s h a r e h o l d e r accounts in force at the end of 1960.

The booklet notes that the statistics about investment c o m-panies are only a part of a larger and more important story. The holdings of investment companies, for example, represent approximately 4% of the total public ownership of equity securities of U. S. corporations now estimated at more than $400 billion. This 4% segment however, is a representative one, the booklet points out, since more than 3,500 security issues—bonds, preferred and common stocks—of more than 2,000 corporations are included in the p o r t f o l i o s o f i n v e s t m e n t companies.



# Southern Bell Debs. Offered

Morgan Stanley & Co. and 62 associated underwriters offered for public sale on March 22 a new issue of $70,000,000 Southern Bell Telephone & Telegraph Co. 37-year 4⅜% debentures priced at 101% and accrued interest to yield approximately 4.32% to maturity. The issue was purchased from the company by the group at a competitive sale on March 21 on its bid of 100.131% which named the 4⅜% coupon.

The communications company intends to use a portion of the proceeds of the sale to repay outstanding advances from American Telephone & Telegraph Co., parent organization, which are expected to approximate $36,000,000 at the time the proceeds are received. The remainder will be used for general corporate purposes.

The company intends to call for redemption in April, 1961, $70,000,000 of 35-year 5½% debentures due in 1994 at 108.36%. Payment will be made from advances from American Telephone and from general funds of the company.

The new debentures will be redeemable on or after March 1, 1966, at prices ranging from 104% to the principal amount.

Southern Bell Telephone provides service in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. On Dec. 31, 1960, the company had 7,253,685 telephones in service. About 53% of the telephones are in 29 metropolitan areas having a population of 125,000 or more.

Total operating revenues of the company for 1960 were $832,586,000 and total income before total interest deductions was $138,495,000 compared with similar 1959 figures of $767,111,000 and $126,844,000. On Dec. 31, 1960, the company had outstanding $610,000,000 of funded debt and 63,250,000 shares of capital stock at $20 par.

# Gen. Superm'kts. Common Offered

Public offering of 110,000 shares of General Supermarkets, Inc., common stock at a price of $3 per share was made on March 17 by Godfrey, Hamilton, Magnus & Co., Inc. Associated in the stock offering was Frank Karasik & Co., Inc.

Net proceeds from the financing will be used by the company for expanding the number of its supermarkets, and toward equipping and stocking them with initial inventories.

General Supermarkets Inc. is engaged in the retail sale of groceries, meat, produce and miscellaneous merchandise through a chain of supermarkets operated under the franchised name of "Shop-Rite" in northern New Jersey.

Upon completion of the current financing, outstanding capitalization of the company will consist of $475,142 of conditional sales contracts and notes payable, and 420,000 shares of common stock.

Sales and other income for the fiscal year ended Oct. 29, 1960 totaled $10,441,957, and net income was $123,507.

## Elected Director

Stephen M. DuBrul, Jr. has been elected a director of Strategic Materials Corporation, it was announced by John C. Udd, Chairman of the Board of the corporation. Mr. DuBrul is a partner of Lehman Brothers, financial advisors to the corporation.

# Investment Down Under

*By Dr. Arthur Denning*, Commissioner for New South Wales, Australia.*

**The industrialization of Australia, and the investment opportunities going hand-in-hand with it, is not news to 300 U. S. firms already enjoying major operations in that continent. Commissioner Denning reviews the favorable American experience in obtaining top personnel; notes the exceedingly fast population rise there which promises an excellent consumer market; and calls attention to research facilities available.**

How many realize the extent of the change that has occurred in the structure of Australian industry? A change from a basically agricultural economy a few years ago, to one largely stimulated by vigorous manufacturing activities. There are many aspects to this, but restricting myself to man power, Australian manufacturing industries now employ a greater percentage of its work force than does the United States—approximately 30% as against at most 27%.

Dr. Arthur Denning

What caused this change? Isolated during World War II, it became essential to manufacture not only war supplies, but almost all types of other essential items. Success in these operations inspired confidence in our capacity to solve manufacturing problems.

Mechanization of the farm was freeing labor, and migration was adding substantially to the skilled labor pool. Through the enterprise of local and overseas companies retaining appropriate wartime and establishing new industries, the opportunities were grasped to develop and utilize natural and human resources.

A wide variety of types and levels of skill have been used. I estimate over 150 Australian manufacturers have indicated a desire for U. S. investment-production partners, and there are probably many others who would examine any reasonable proposal from the United States to offer complementary capital and/or know-how. Altogether, more than $1 billion has been directly invested in Australia, with over 1,000 American companies currently holding manufacturing agreements. Literally, U. S. corporations with interest in Australia read like a "Who's Who" in American industry—from A to Z—Abbott Laboratories to Zenith Radio.

In construction of British Petroleum Company's $85 million oil refinery in Western Australia, the contractors had anticipated that between 2,000 and 3,000 skilled workers would have to be imported for the job but needed less than 100. The refinery began operations 3½ months ahead of schedule.

### American Experience in Australian Industry

Does an American company in Australia need Americans for its chief executives? The answer depends on the state of development of the industry and the extent of particular technical or sales know-how involved. The trend, however, is towards the use of Australian nationals as executives, if not initially, then certainly when the company is firmly established. Some present figures will be of interest. The United States Embassy in Australia lists almost 300 U. S. firms with a major Australian operation. The United States Commercial Consul in Sydney has listed the nationalities of the top executives of the 188 American companies operating in Sydney as follows: 127 Australian, 46 American, 2 Canadian, 5 New Zealanders, 6 English, 1 South African and a lone Scotsman.

Where special techniques are involved, American companies send American technologists and technicians to Australia. Alternatively, an increasing number of firms are bringing Australians to the United States for special training. The pattern of employment is certainly towards the use almost completely of Australians or "Australianized" Americans—i.e., Americans who decide to make their career and homes with us.

### Cooperation in Training Personnel

American executives in Australia frequently comment upon the relatively broad science or engineering training programs provided for technical personnel. The aim is to produce a versatile worker. Whereas American educational institutions lay particular emphasis on a broad liberal arts education, Australia encourages early technical specialization in its training of engineers, scientists, technicians and craftsmen.

Similarly, American executives in Australia have commented favorably on the flexibility in many of our programs. To meet special training needs, courses are often provided at short notice. Special courses have been provided in such fields as electronics, automation controls, television technicians, hospital technicians and a wide variety of chemical courses. This is a feature paralleled in may educational institutions in the United States of America. However, the executives serving on Course Advisory Committees are featured more extensively than here. By means of these Committees, the onus is placed on each industry to ensure that its training programs are designed to meet the changing needs of industry. The personnel of the Committees represent each phase of each industry. Companies among many which have figured prominently in these activities, are General Motors, Ford, Le Tourneau Westinghouse, Union Carbide and many others.

### Population Growth

Australia is experiencing an exciting challenge in providing a technologically balanced population. The addition of almost three million citizens in the past 15 years, represents a growth of more than 2¼% a year, revealing Australia as one of the fastest percentage growth populations in the world—one-third faster than the United States and four times as fast as Great Britain. Just as selective migrants from many European nations are bringing Australia new ideas, new techniques, new modes of living, so too is the technical "face" of Australia changing to accommodate this new era of development. The substantial operation of the Australian Iron & Steel Company at Port Kembla has only been possible by the employment of large numbers of specially selected migrants. The migrants employed in heavy industry in Australia number more than 25% of the total staff.

With the overall population growth, the propensity to consume will generate a wider range of products to be manufactured. A significant effect of this population upsurge will be to bring a steep increase in the size of the work force. Currently, the work force numbers over 40% of the total population, having risen since 1954 at the rate of approximately 75,000 per year. The rate of growth in terms of numbers available for gainful employment is increasing more rapidly than the population as a whole. Between 1958 and 1962, Australian children turning 15 will increase from less than 145,000 a year to about 210,000.

### Research

Last, but not least, is the increasingly important role of research. In addition to the usual facilities provided by the universities, Government and private industry are undertaking extensive research.

The State Governments of Australia have been mainly concerned with scientific activities in relation to developmental problems. With the influence of the early economy of wool and mining activities, it is not surprising that agricultural and mining departments are firmly established as a feature of such government activities. In addition, notable developments have been made in such fields as soil and forestry conservation, water supply, fisheries and industrial advice and assistance.

The major Federal Government research organizations, are the Commonwealth Scientific & Industrial Research Organization (C.S.I.R.O.); the Australian Defense Scientific Service of the Department of Supply; the Australian Atomic Energy Commission; the Bureau of Mineral Resources, Geology and Geophysics of the Department of National Development.

The C.S.I.R.O. has been of substantial assistance to industry. Some of these activities are suitably described in the Industrial Research News Brochure, some of which are listed later. While providing valuable assistance for whole industries and groups of industries, helep with the day to day problems of individual firms is available. Well-defined Divisions devote a major part of their total effort to helping industry in this way. To give specific illustrations, manufacturers have obtained help with problems of measurement of such quantities as length, mass, temperature, humidity and with electrical measurements from the Divisions of Metrology, Physics and Electrotechnology of the National Standards Laboratory in Sydney.

A typical instance is help given to a manufacturer in measuring continuously, the thickness of a strip of linoleum as it emerges from processing operations at a stage at which it is warm, soft, non-homogenous, and has a surface coating of wax. An air gauging method was worked out for the manufacturer, which was capable of indicating variations in thickness as small as 5/1000ths of an inch from the nominal value.

The Division of Radiophysics has been responsible for developing distance measuring equipment which almost doubled the capacity of Australia's airways system, and which is at present being examined by civil aviation authorities in the United States.

While all the large industries employ scientifically trained staff for routine control of processes, the larger companies have very active research departments. Industrial laboratories covering the chemical, pharmaceutical, sugar, paper, mining and steel industries are to undertake original investigations of high calibre and fundamental in nature.

### Cooperation from Governments

Both immigration and national development are now firmly established in Australia and seem certain to operate into the foreseeable future. These aims are consistent with the platforms of both the major political parties. In furtherance of these aims, government authorities actively encourage private investment from abroad in all forms, to utilize our human and develop our natural resources. Accepting the fact that they themselves must very largely accept the responsibility of developing public utilities, prospects for the future strength through enlightened cooperation by the governments with all sections of industry and commerce can compare most favorably with any recall the story of the Texan who knocked at the Pearly Gates seeking to enter. "You can come in," said St. Peter, "but I'm afraid you'll be disappointed."

Those who come to Australia, will not be disappointed.

*From a talk by Dr. Denning to the American Management Association briefing session on "Decisions for Investment and Operation in Australia," New York City.

# Economics Lab. Debens. Offered

W. E. Hutton & Co. and Kalman & Co., Inc. are joint managers of an underwriting group which offered on March 22 $4,000,000 Economics Laboratory, Inc. 4¾% convertible debentures due April 1, 1976. The debentures are priced at 102 plus accrued interest from April 1, 1961.

Net proceeds from the sale of the debentures will be used by the company to retire presently outstanding promissory notes and to provide new facilities for the company. Balance of the proceeds will be added to the general funds of the company and used for working capital purposes.

Economics Laboratory, Inc., incorporated in 1924, manufactures and sells powdered and liquid detergents and cleaning agents for commercial dishwashing and household uses. The company's manufacturing facilities include five plants in the United States, and one in Canada and six affiliates abroad. The company's product line for household use includes nationally known detergents for general surface cleaning, home automatic dishwashers, and for destaining electric coffeeware and plasticware.

Unaudited net sales for the company for the six months ended Dec. 31, 1960 amounted to $12,215,348 and net earnings were $311,888, equal after preferred dividends to $305,291.

The debentures are redeemable through the sinking fund at the option of the company at prices ranging from 105% to 100½%, plus accrued interest. At the holder's option, the debentures may be converted until April 1, 1971 into common stock of the company, at an initial conversion price of $32 per share.

Associated in the underwriting are: Paine, Webber, Jackson & Curtis; Piper, Jaffray & Hopwood, and J. M. Dain & Co., Inc.

## Amber, Burstein in N. Y.

Amber, Burstein & Co. Inc. is now conducting its securities business from offices at 40 Exchange Place, New York City.

## Beneficial Investments

Virginia Lieu is engaging in a securities business from offices at 2 Mott Street, New York City, under the firm name of Beneficial Investments.

## Our Reporter on
# GOVERNMENTS

*BY JOHN T. CHIPPENDALE, JR.*

The surprise first "advance refunding" operation of the Treasury under the Kennedy Administration will extend the maturity date of selected issues due in 1962 and 1963, to 1966 and 1967. The outside limit for the total venture is $8 billion, but the Government will most likely settle for much less than the top amount. The interest rates of the refunded issues were 2¼% and 2½% so that the Treasury, in extending maturities a bit, had to pay 3⅜% and 3⅝%.

This "leap frog" type of refunding will bring into being two new issues, namely, the 3⅜s due Nov. 15, 1966 and 3⅝s due Nov. 15, 1967. Both of these refunding obligations come due within that area of the bond market which the powers that be have been operating in the changed open market policy.

In addition, the Treasury will be in the new money raising sector of the market in late March or early April to get between $1 billion and $1½ billion. This seems to indicate that a fairly sizable deficit is expected during the current fiscal period.

The movement of funds into short-term Government obligations continues to be sizable, because there is more than a passing demand for these securities from, not only the large commercial banks but also from corporations that are seeking a temporary haven for surplus monies. In addition, it is reported that a fair amount of the so-called "hot type" of money is coming back here and part of it is being put to work in short-term Governments. Also, there are indications that some of these funds have been and still are being used in modest size for the purchase of common stocks.

**World War II 2½s in Demand**

In spite of the strong tone which is in evidence in the equity market, it is not believed in most quarters of the financial district that these commitments in common stock are taking funds from the bond market. The buyers of fixed income bearing obligations, according to reports, are still making selective purchases of corporate, municipal and Government bonds, with the non-Federal issues still in the more favored spot. This, however, is not detracting too much from the buying that is being done in the intermediate-term Treasury securities since it is indicated that the institutional interest in these obligations is still in the ascendancy. In most of these instances, the World War II 2½s appear to have the inside track, although it is reported that selected issues coming due in 1964 and 1965 are also getting attention at this time.

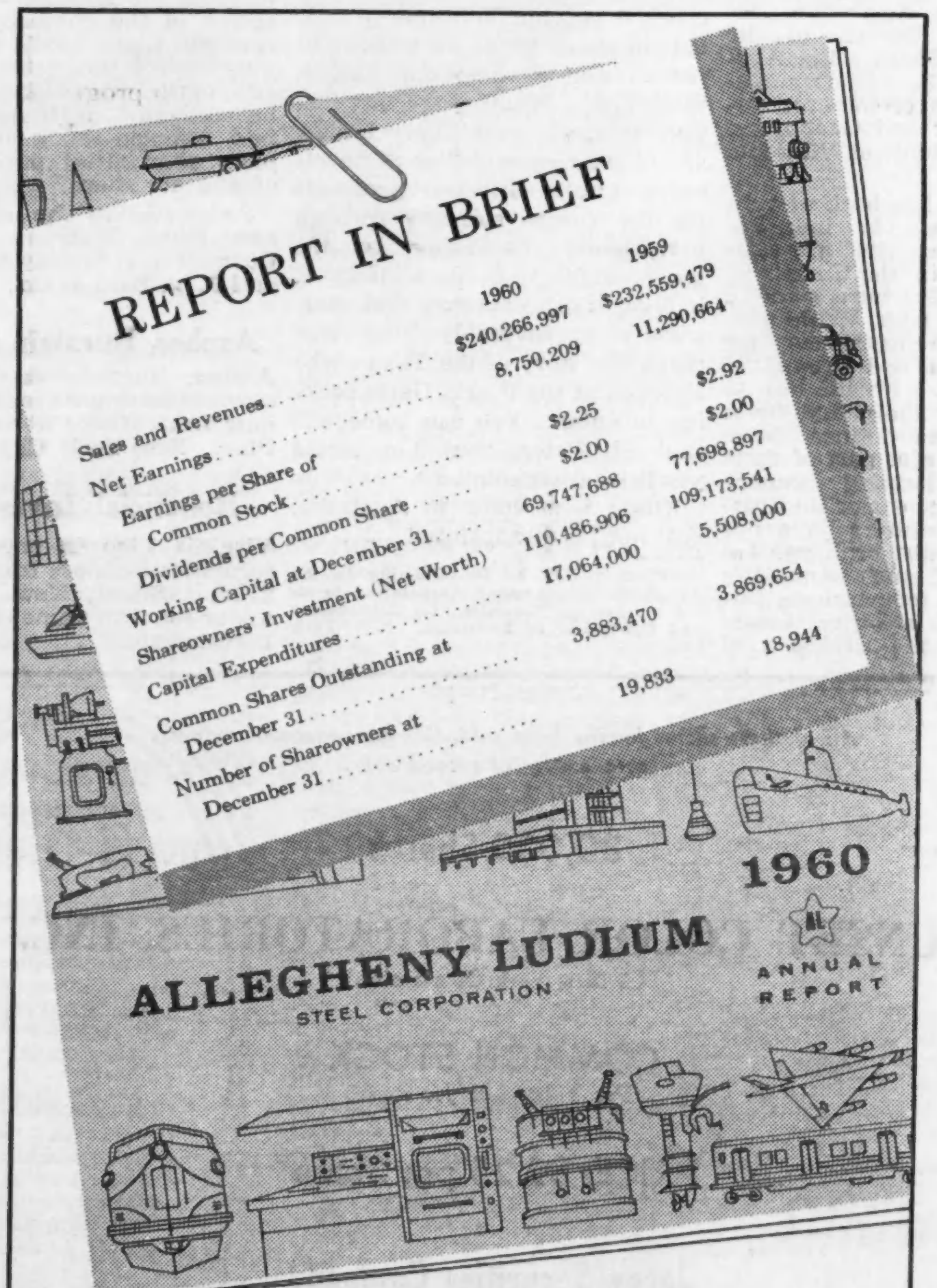
The building up of positions in the 2½s that were floated in the second World War is evidently with the idea in mind that at some future date there will be a refunding offer made to the owners of these securities. Although there is no such offering in the making for these securities in the foreseeable future, as far as most money market experts are concerned, a strong and improving capital market will bring such an operation closer.

The new money and refunding ventures of the Treasury are expected to continue to be done in the near-term area of the Government market so that the capital market will be exclusively for either new money raising or refunding operations of non-Federal borrowers. And from what is being reported in the corporate area, it appears as though the lower long-term interest rates are not only bringing in new borrowers but also those who are interested in lowering the coupon rates of the outstanding bonds.

**Investors Holding Longer Maturities**

The "nudging" operation of the monetary authorities is tending to give the short-term and intermediate-term issues somewhat of a professional appearance from time to time. This is attributed in part to reports that the main sellers of the issues which the Central Banks are interested in buying are the traders or dealers. Investors, it seems, are not inclined at this time to move out of the longer than five year maturities since they believe that the market action of these obligations will improve with the passage of time.

The reports are that the Government trust accounts are still buyers of the most distant issues, with the 3s of 1995 now among the ones that are being put into the portfolios. In addition, it is indicated that some of the smaller commercial banks in the outlying areas have been sellers of certain of the intermediate-term obligations with the proceeds being put to work in mortgages. Savings banks also are reported sellers of selected Treasury issues, with this money also going into mortgages.






## Sunset Color Common Sold

Pursuant to a March 9 offering circular, an underwriting group headed by Jacey Securities Co., 82 Beaver St., New York City, and including Professional & Executive Planning Corp. and Sunshine Securities, Inc., publicly offered and sold 80,000 shares of this firm's 1 cent par common stock at $2.25 per share.

The company was organized and is engaged in the business of processing of color photographic film and the sale of film and photographic accessories and supplies. The company, one of the first processors other than Eastman Kodak Co. to enter the color field, commenced processing color film and making color prints from transparencies in 1946, when the business was conducted by its President, Lloyd B. Marshall, originally as a sole proprietorship prior to its incorporation in 1948. Mr. Marshall may be deemed to be a promoter. The company commenced processing Kodacolor in 1960.

It is anticipated that the aggregate proceeds to the company from the sale of all of the 80,000 shares of common stock offered will be $145,000, after deducting underwriters' commissions and expenses. The aggregate proceeds will be added to the general funds of the company.

## Fontana Names Bassior Synd. Mgr.

George Bassior has joined Fontana Securities, Inc., 82 Beaver Street, New York City, as manager of its syndication department. A former U. S. Treasury Department deputy director of payroll savings programs, Mr. Bassior is also President of C. F. C. Funding, Inc., a Manhattan firm founded to finance chemical companies. Joining him at Fontana are Sol Forman and Peter Pakula.

### Now Corporation

The investment business of Harold C. Shore & Co., 50 Broad St., New York City, is now being conducted as a corporation. Officers are Harold C. Shore, President and Treasurer; Emanuel R. Isroff, Vice-President and Secretary; and Charlotte Ross, Assistant Secretary.

### With California Investors

SAN BERNARDINO, Calif. — George W. Buller has been added to the staff of California Investors, 1757 D St.

## S. W. Pub. Svce. Secs. Offered

Dillon, Read & Co. Inc. heads an underwriting group which offered for public sale on March 22, $15,000,000 of 4½% first mortgage bonds due 1991 and 120,000 shares of 5% cumulative preferred stock, $25 par value, of Southwestern Public Service Co.

The bonds are priced at 100% and will be redeemable in whole or in part at the option of the company at prices scaling downward from 104.50% if redeemed during the 12 months ended Jan. 31, 1962 to 100% if redeemed on or after Feb. 1, 1990; and for an improvement fund at 100%; in each case with accrued interest to the date fixed for redemption.

The preferred stock is priced at $25 per share and is redeemable at the option of the company in whole or in part, at the following redemption prices: $27 per share if redeemed on or before Jan. 31, 1966, $26.50 per share if redeemed thereafter and on or before Jan. 31, 1971, $26 per share if redeemed thereafter and on or before Jan. 31, 1976, and $25.50 per share if redeemed thereafter; plus, in each case, an amount equal to accrued and unpaid dividends.

The company proposes to apply the net proceeds from the sale of these securities to the payment of approximately $14,500,000 of bank loans obtained for the construction of additions and improvements to its properties and, to the extent of the balance of such proceeds, toward the payment of further costs of additions and improvements.

The company is engaged in the generation, transmission, distribution and sale of electric energy, over 99% of its operating revenues having been derived from this service during the fiscal year ended Aug. 31, 1960. The company also provides water service in the City of Clovis, N. M. The territory served by the company includes the Texas and Oklahoma Panhandle, the South Plains region of Texas and the Pecos Valley region of New Mexico. The present population of the territory served is estimated by the company at 827,500.

For the 12 months ended Dec. 31, 1960, the company reported operating revenues of $53,076,553 and net income of $10,942,545.

Upon completion of the present financing, the company will have outstanding $120,439,000 of first mortgage bonds; $8,033,000 of debentures; 194,200 shares of cumulative preferred stock, par $100; 320,000 shares of $25 par cumulative preferred stock, and 8,816,748 shares of common stock, par $1.

### Chicago Analysts to Hear

CHICAGO, Ill.—J. E. Swearingen, President of Standard Oil Company of Indiana, will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held March 23 at the Midland Hotel.

### Associate ASE Member

Richard M. Cantor, securities broker and dealer, has become an associate member of the American Stock Exchange, it has been announced. A member of the New York Stock Exchange, Mr Cantor is President of Research Holding Corp., a closed-end investment company and Assistant Professor of Finance at New York University.

In the *Chronicle* of March 9 it had been indicated that Research Holding Corporation had recently been formed with offices in Great Neck, to deal in securities. The company was established in 1946 as a closed end investment company and has continued to operate in this capacity since that date.

# SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

## Creative Salesmanship

Today when the speculative urge is so strongly asserting itself, brokers may be so busy taking orders that they don't have to worry about new accounts. But the securities business is very volatile. There are times when a solid clientele of investors is not to be ignored. In fact, forward looking salesmen and investment firms are still building their investment clientele as opposed to "hit and run" speculators that are dominating the scene today. Possibly it is too much to ask any salesman that he try and obtain some new investor clients during times like these, especially when he can write tickets all day long for traders and speculators. But for those who might be interested here is a thought for you.

**American Tel. & Tel. Rights**

There are about 12,800,000 stockholders in this country, according to the figures I've seen. I may be wrong regarding this but I have also been told that there are about 1,800,000 stockholders in Tel. and Tel. alone. Regardless of the figure, you can be sure it is huge.

What is the security salesman's most difficult prospecting problem? The answer is **Find the People Who Invest in Securities.** Here you have it made to order. The people who own big Telephone are investors, of that you can also be certain.

Recently they received some rights to buy more stock. Many of them are going to be confused, some will want help, others, will not know where to go for advice. So they will ask their commercial banker, their atttorney, or they may stroll into some broker's office. I am now referring to people who do not have large investing and trading accounts but **who could become** active investors.

There may be some salesmen who will say, "What do I want to waste my time with some 10 share odd lot owner of Telephone rights when I can make a few calls to my regular accounts and do some business now?" If that's the way you feel about it, and mean it, that is O.K. with me, but I saw a lady walk into a broker's office the other day with 800 shares of Telephone and she didn't know what to do with her "rights." I've also seen some trades of mutual funds that ran into $50,000 to $75,000 that were the direct result of meeting people and **Helping Them** the last time we had a Telephone "rights" deal. At least, you will know one thing — the people who own Telephone, are usually conservative and substantial in their living and their investing. They make good clients!

**Advertisement**

Here is an ad that might do your firm some good if you ran it in your daily paper regularly for the next few weeks:

**AMERICAN TELEPHONE & TELEGRAPH COMPANY**

**STOCK RIGHTS SOON TO EXPIRE!**

These valuable rights will expire and become worthless unless exercised or sold before April 14th. We shall be glad to assist in handling your A. T. & T. Rights without charge for our services.

*Please call personally or telephone for information.*

**Blank & Company**

Main Street, U. S. A.

Such an ad as this can be one column in size. If you wish you can write another one of your own—possibly a larger ad would be more effective. One thing is certain, when you offer service and you identify yourself with a stock such as "Big Tel." you are in good company. The institutional value of this type of advertising is also valuable.

## Form Andrew Industrial

Andrew Industrial Corporation is engaging in a securities business from offices at 570 Seventh Ave., New York City. Officers are Leslie Marshall, President; Clarence Rainess, Vice-President and Treasurer; William Etkin, Secretary; and Irving Rom, Assistant Secretary.

## Obermann Joins G. H. Walker Co.

ST. LOUIS, Mo.—Richard C. Obermann, formerly Vice-President of Metropolitan St. Louis Company, has become associated with G. H. Walker & Co., it was announced by William H. Bixby, a managing partner of the firm.

G. H. Walker & Co., a New York Stock Exchange member firm, was founded in St. Louis in 1900. It now has offices in 12 cities. Mr. Oberman, a recognized authority on municipal and government bonds, will make his headquarters in the firm's home office at Broadway and Locust in St. Louis.

Metropolitan St. Louis Company, which he joined in 1955, discontinued its operations as an investment firm as of Feb. 28, 1961.

Mr. Obermann was associated for 34 years with the Mercantile Trust Company and its predecessors the National Bank of Commerce and Mercantile Commerce Bank and Trust Co. He organized the municipal bond and government bond departments at Mercantile and served as a Vice-President for 15 years. Mr. Obermann is a past-President of the Mortgage Bankers Association of St. Louis, and a former regional Vice-President of the Society of Industrial Realtors.

# PUBLIC UTILITY SECURITIES

BY OWEN ELY

## Cincinnati Gas & Electric Company

Cincinnati Gas & Electric supplies electricity to the city of Cincinnati and some 325 other communities, with gas supplied to 81. A subsidiary, Union Light, Heat & Power serves part of northern Kentucky. Cincinnati Gas & Electric has a long history, having been incorporated 124 years ago under the name of "The Cincinnati Gas Light & Coke Company." It started business as a small gas supplier and entered the electric business in 1894, the present name being adopted in 1901.

Electricity accounted for 59% of 1959 revenues and gas 41%. Revenues were derived as follows: Electric — residential and rural 39%, commercial 25%, industrial 27%, and other 9%; gas—residential 58%, commercial 17%, industrial 18%, and other 7%.

The company is promoting gas air conditioning and a number of large installations have been made recently. Electric space-heating is also being developed and over 200 installations were added last year; at least one subdivision of about 65 electrically heated homes is under construction. Several motels in the area have used this form of heating for a number of years, but an outstanding installation has just been completed by a motel of 73 rooms plus auxiliary service areas. Examples of other installations in 1960 were the Miamiville Elementary School and the St. Timothy Episcopal Church.

The company has enjoyed good growth, electric sales and revenues almost doubling in the past decade. Electric customers increased 26% in number and average residential usage gained 107%. Gas sales increased 113%, with the number of customers up 21% and residential usage gaining 66%. The population of Ohio is expected to increase faster than the U. S. in the coming decade, with a gain of 30% by 1970 and 60% by 1980. The company has been active in a program to attract new industry to the area; it has conducted a national advertising program with advertisements in *U. S. News and World Report, Business Week, Dun's Review*, and *Fortune* magazines.

The company spent nearly $300 million for new plant in the past decade and total plant investment is now almost 2½ times as large as in 1950. Another $100 million may be spent in 1960-61. Last November a 168,000 kw. generating unit was placed in service, bringing total capacity up to 1,228,000 kw.; another unit is under construction and scheduled for service late in 1962. The company has inter-connections with a number of private and public utilities, with long-term contracts for interchange of power. A joint study is being made with two other companies regarding formation of a 3-company pool with a combined load of 2.3 million kw.

The company has a big gas load—larger than New York or Chicago. 75% of residential customers use gas for heating—it is 35% cheaper than oil, and also cheaper than coal despite nearby coal supplies. The cost of gas is being reduced by increased storage facilities. An underground propane storage cavern (with propane-air gas mixing equipment) with a daily capacity of 50 million cf. is in use and another plant of equal capacity is planned for the purpose of meeting growth and improving the load factor. Natural gas is purchased from the Columbia Gas System. In 1959, the average cost of purchased gas was about 47.4c per mcf., and the average selling price 74.2c.

The company will need to raise about $45 million of new money in 1961-62 but bank loans are expected to take care of 1961 requirements with no public financing until 1962.

The company's share earnings record has been somewhat irregular. With a return of 8.2% on year-end net plant account in 1949, share earnings were $1.73 but with heavy equity financing (1-for-5) in 1950 earnings dropped to $1.50. There was a further decline to $1.40 in 1952, presumably due to the drop in percentage earned to 6.2%. Earnings showed good improvement over the next five years to $2.01 in 1957, but there remained irregular for two years, followed by a sharp gain in 1960 to $2.23.

Last year's good showing was made despite a gain of only 1.1% in electric industrial sales and 2.2% in gas industrial sales, although revenues in each case made a better showing. Total electric revenues were up 7% and gas 13.6%. The credit for interest on construction was 15c in 1960, compared with 9c in the previous year; it is estimated at 13c in 1961 and 17-20c in 1962.

The Public Utilities Commission of Ohio granted the company a rate increase of $1,567,000 effective April 22, 1960 covering some of its territory outside of Cincinnati. This increase might have accounted for about 7c of the increase in share earnings. However, on a rehearing asked by the company, the Commission reduced the amount of the increase to $879,000, and suggested adoption of flow-through of tax savings resulting from the use of accelerated depreciation; as this decision was appealed to the state Supreme Court, the company continued to collect the original increase, subject to refund of the reduced portion.

In the meantime, the company was also seeking a rate increase from the city of Cincinnati which was agreed upon and became effective July 2, for about a four-year period. This increase also probably accounted for about 7c a share of the gain in 1960 earnings. An increase of $478,000 was obtained by the Kentucky subsidiary early in 1960, equal to 3c a share. Late in the year increases were obtained in Norwood and St. Bernard amounting to about $342,000 a year.

A decision by the court regarding the Commission's proposal that the company use accelerated depreciation is not expected before fall. In 1960 deferred taxes resulting from accelerated depreciation approximately 20c a share and, of course, this item increases regularly with the company's growth.

The company has an enviable dividend record, going back 108 years. Payout average is about 70% although based on 1960 earnings the $1.50 dividend reflected a 67% disbursement. At the recent price around 43 the stock yields 3.4% and the price-earnings ratio is 19.3.



# Monarch Electr. Stock All Sold

Monarch Electronics International, Inc., of North Hollywood, Calif., has successfully offered 200,000 common shares at $3 per share. The issue was underwritten by Pacific Coast Securities Co. of San Francisco.

Monarch is engaged principally in the importation and distribution, under its own label, of electronic parts and equipment: hi-fi sound components and radios, which accouts for 60% of its total sales volume.

Monarch also has five wholly-owned subsidiaries, operating under the names of either Arrow Electronics or Acorn Electronics, engaged in the wholesale distribution of electronic and hi-fi sound components: handling most of the leading American brand names. Total consolidated sales for the fiscal year ended Feb. 28, 1961 amounted to $2,150,000.

Capitalization consists of 600,000 common shares $1 par value, with total book value of approximately $1,450,000 or $2.35 per share as of Feb. 28, 1961.

# Fin. Analysts on European Conf.

Eighty-five Financial Analysts, some of whom will be accompanied by their wives, are scheduled to make the second European Business Conference Tour from March 31 to April 24, according to Edward S. Wilson, President of The New York Society of Security Analysts, and Research Director of W. E. Burnet & Co.

This tour of approximately 30 prominent European firms in nine countries is for the purpose of becoming better acquainted with industrial and financial activities abroad, according to Trip Co-Chairmen Monte J. Gordon and Alan C. Poole. Mr. Gordon is Research Director for Bache & Co., and Mr. Poole is Research Director of Hemphill, Noyes & Co.

This cross-Atlantic plane trip by KLM is being sponsored jointly by the National Federation of Financial Analysts Societies and The New York Society of Security Analysts. The latter Society made the initial trip to Europe in 1959.

All financial analysts will fly to London where they will spend six days. After that they will separate into two groups. One group will visit firms and financial centers in Copenhagen, Stockholm, Dusseldorf and Brussels; while the other group will visit firms and financial centers in Amsterdam, Munich, Vienna and Zurich. Then, both groups will meet in Paris for four days before returning to New York.

# Coast Exchange Elects Phelan

Thomas P. Phelan on March 15 became the first President of the Pacific Coast Stock Exchange.

Thomas P. Phelan

Election of Mr. Phelan to the post marked the culminating step of the consolidation of the Los Angeles and San Francisco Stock Exchanges began in January, 1957. The two Divisions formerly operated with two separate staffs and officers.

Coupled with the announcement, the Exchange governing board announced the retirement of Ronald E. Kaehler. Mr. Kaehler retires as President of the San Francisco Division of the Exchange. He has been with the Exchange 23 years, serving as President of the San Francisco Division for the past 17 years.

Mr. Phelan, who formerly was President of the Los Angeles Division, Pacific Coast Stock Exchange, was elevated to the new position following recent amendments to the Exchange Constitution which provide for a single Board of Governors and one President to be the chief executive officer of both Divisions.

In accepting the new post Mr. Phelan said, "The ground work has been laid whereby the Pacific Coast Stock Exchange can now play a more dominant role among stock exchanges of the nation."

Mr. Phelan started his Exchange career as a clerk in the Statistical Department of the Los Angeles Curb Exchange in March, 1929, and was Assistant Secretary of the Curb Exchange at the time the Los Angeles Curb was merged with the Stock Exchange in 1934. He then became Manager of the Exchange Clearing Department and in succeeding years worked every phase of Exchange operations. In 1936 he was made Assistant Secretary in Charge of Listing, Statistics and Public Relations. From 1940 to 1947 he was Assistant to the Vice-President of production of Vultee Aircraft. On rejoining the Exchange he became Vice-President and in 1952 Executive Vice-President. In March, 1959, he became President of the Los Angeles Division, Pacific Coast Stock Exchange.

## Centennial Fund Director

Louis J. Rice, Jr., former Vice-President and manager of the investment department of The First National Trust & Savings Bank of San Diego (Calif.) has been elected a director of Centennial Fund, Inc., it has been announced.

Still associated with the bank as a director and investment consultant, Mr. Rice will also become a member of the board of directors of Centennial Fund II, Inc. at the completion of its current public offering.

Centennial Fund, Inc. is the first of the open-end investment companies to be formed through a simultaneous, non-taxable exchange of investors' assets for fund shares. Centennial Fund II, Inc. will be patterned after the first fund. Both maintain offices in Denver, Colo. and New York, N. Y., under the sponsorship of Centennial Management & Research Corp.

## Now House Investments

DAYTON, Ohio—The firm name of House-Johannes Inc., 211 North Cherrywood Avenue, has been changed to House Investments Inc.

# NYSE Undertakes Fourth Census

The New York Stock Exchange will undertake its fourth nationwide Census of Shareowners this year to measure the growth of share ownership in America over the past three years, Exchange President Keith Funston has announced. Work will begin on the comprehensive research project in June, and the results will be published in the Spring of 1962. In the meantime, Mr. Funston put the unofficial number of shareowners in public companies at 15 million.


Keith Funston

Recent projections of past growth, Mr. Funston said, indicate that the number of shareowners in public corporations has continued to increase since the total of 12.5 million was reported in 1959.

A study of stockholder of record data for all New York Stock Exchange listed companies along with available material on growth of investment companies and other information indicates a higher rate of increase during an 18-month period ending in mid-1960 than in the corresponding period prior to the 1959 Census. The 1959 study revealed that shareownership increased by almost 4 million over the 1956 total.

"On this basis," Mr. Funston said, "a projected increase of 2.5 million shareowners in public corporations over the 1959 figure —bringing the estimated present total to 15 million—seems reasonable.

"The Census, of course, will give us a much more precise count and will provide data as of early 1962. The Census will cover close to 6,000 public corporations and some 9,000 different common and preferred stock issues. Brokerage firms, banks and investment companies will also be included in the study," Mr. Funston said.

# Forcite, Inc. Offers Common

Forcite, Inc., a New York corporation, offered on March 16, 150,000 shares of common stock at $5 per share through Myron A. Lomasney & Co., underwriters.

The company is a manufacturing retailer of a specialized line of furniture products frequently used in conjunction with foam cushioning. Their lines are popularly priced for use in homes, offices, hotels, and institutions. In excess of 80% of the products sold in the company's retail outlets are manufactured and assembled at its various plants in Long Island City, Chicago and Los Angeles. The company's stores are located primarily in large, metropolitan communities with a heavy population concentration.

The net proceeds from the sale of 150,000 shares of common stock will be used to discharge certain short-term bank loans, to discharge in full a 7% debenture due March 28, 1962; to purchase certain outstanding stock interests and repay loans; to finance the opening of new retail outlets and to add to working capital.

### Bain & Co. Formed

LITTLE ROCK, Ark. — Jack P. Bain is conducting a securities business from offices at 1722 Kavanaugh under the firm name of Bain & Co.

### Florida Growth Company Formed in Palm Beach

PALM BEACH, Fla. — Florida Growth Co. has been formed with offices at 241 South County Road. Officers are Frank B. Bateman, President; Franklin P. O'Brien, Chairman; Robert P. Foreman and Dorothy H. Bateman, Vice-Presidents; Alex J. Disher, Treasurer; Mattie C. Hubbard, Secretary.

### Reiner, Linburn to Admit

Reiner, Linburn & Co., 2 Broadway, New York City, members of the New York Stock Exchange, will admit Herbert Chadnow to partnership on March 9. Mr. Chadnow will become a member in the New York Stock Exchange as of the same date.

# Shares in Japanese Secs. Firms To Be Publicly Traded

Japan's "Big Four" securities dealers will each double its capitalization and begin public trading of its own shares April 1, it was announced.

No member firms of the New York or American Stock Exchange can publicly trade their shares, although shares of a few non-member firms are traded.

The Japanese Finance Ministry has approved plans for increase in capitalization to approximately $22,000,000 each and the public trading of shares of the four companies Nikko, Daiwa, Nomura and Yamaichi securities companies.

Until now shares of the four companies have been held primarily by what might be termed "insiders," by banks, corporations and institutions, and by top executives, employees, and others close to the companies. Buying and selling has been done on the basis of 50 Yen Par value — approximately 14 cents U. S. — and has been on a private basis.

With the issuance of the new shares, doubling capitalization, all shares will be permitted to be sold publicly as over-the-counter issues. Initial trading is expected to be in the 70 to 80 yen range—about 22 cents U. S. Japanese stocks are generally sold in 500 share lots.

The Japanese Finance Ministry had previously banned over-the-counter trading in securities firms' shares, feeling that with public trading the companies might unduly favor their own shares—resulting in unwarranted rises and possibly subsequent dips. The major companies have agreed among themselves to eliminate any such possibilities and will act accordingly.

### Now First Princeton

PRINCETON, N. J.—The firm name of Princeton Investment Co. has been changed to First Princeton Corp. and the firm is now located at 195 Nassau Street.

### Hirschfeld, Stern, Moyer

The firm name of Hirschfeld & Stern Co., 666 Fifth Avenue, New York City, has been changed to Hirschfeld, Stern, Moyer & Ross.

# Does Stock Market's Course Mirror Business Outlook?

*Continued from page 3*

tions of rank-and-file investors to the business news that accompanies ups and downs in the economy. "The . . . object of the most skilled investment today," said Lord Keynes in the mid-1930's, "is 'to beat the gun' . . ., to outwit the crowd, and to pass the bad or depreciating half-crown to the other fellow."[3]

Of course, once the "rank and file" get wind of an impending change, they are likely to emphasize it by their own buying or selling. But it is also possible that a turn in the market may not only discount the future, but help to shape it. For a turn in the market does have some significance for the people whose spending largely determines the level of economic activity — consumers and businessmen.

3 John Maynard Keynes, *The General Theory of Employment, Interest and Money*, 1936, p. 155.

### What the Market Means to the Consumer

Between 1952 and 1959 the number of individuals owning stock almost doubled. The records of the New York Stock Exchange show that stock market trading increased and spread out over the country. In these years, when the financial assets of consumers were rising rapidly, corporate stock became the most important asset in the consumer's portfolio.[4]

Some of the awakening interest in the stock market can no doubt be traced to a rising level of income in the 1950's. During these years, it was typical for about two-thirds of all stock owners to have incomes of at least $5,000 a year. Over the decade, the number of families and individuals making at least that amount moved up from about one-quarter to over one-half of the population.

4 See "The Public's Portfolio" in the *Business Review* for October 1960.

Continual reports on the progress of the bull market also did their share in attracting public attention. Stock market news was available daily to everyone who read a newspaper, watched television, or listened to radio. Closely following the closing averages were, probably, a large proportion of all who owned stock and all who were thinking of purchasing. The ups and downs of the market may well have been the single most widely disseminated bit of business information.

One would think, therefore, that the stock market and consumer feelings of optimism or pessimism would frequently be closely related; and that the relationship between the market and consumer attitudes might have become increasingly close in the latter years of the decade.

In fact, consumer attitudes and the stock market do seem to have a good deal in common. As can be seen on the following charts, both stock prices and attitudes led the major upturns and downturns of the economy during the 1950's. And stock prices appear to have led attitudes in the recession and recovery of 1957-1958. Moreover, the cyclical movemets of the stock market and the cyclical changes in consumer attitudes appear to have moved more closely together as the decade wore on.

Of course, consumer attitudes are, in and of themselves, interesting; but are they crucial to consumer spending? Some, but far from all, strongly believe that they are—that consumer feelings of optimism or pessimism significantly influence consumer spending for "big ticket" items such as automobiles, refrigerators, and washing machines.

The available evidence by no means *proves* that the stock market strongly influences consumer spending. But it does suggest that in the 1950's, there was some relationship between the stock market and the way an increasing number of consumers viewed the world around them.

### What the Market Means to Business

The market value of a firm's outstanding stock is one measure of the cost of capital to the firm. When a company's stock is rising, it often becomes more advantageous and less costly to tap the rising market for needed funds.

During the 1950's, while the stock market was advancing, yields on corporate bonds were moving up also. Stock financing was becoming less expensive and bond financing more expensive.

In the past, when this has happened, corporations have increased their use of equity financing relative to bond financing. The years 1928 to 1929 are striking examples. In 1928 and 1929 stock prices rose rapidly and corporate bond yields moved up also; the ratio of new stock issues to total security issues increased from .24 in 1927 to .46 in 1928 and .69 in 1929.

The influence of similar conditions in the 1950's is not so apparent. While new stock issues increased over the period, the ratio of new stock issues to total security issues showed no persistent upward trend.

Many observers have pointed out that the corporate income tax today creates a bias against equity financing. The earnings of a company and its owners are taxable, but interest payable on bonds is tax deductible. The tax situation may clearly throw the weight of profitability to bond rather than stock financing — despite changes in market yields and prices.

Nevertheless, there is some evidence that suggests corporations did respond to changing market yields and stock prices during the 1950's. In the years of 1947, 1948, and 1949, both stock prices and bond yields were relatively stable. The ratio of new stock issues to security issues averaged .19. During the general upswing in stock prices and bond yields of the 1950's, the ratio averaged .23. And, during the past decade, if we take only the years in which both stock prices and bond yields were rising, we find an average ratio of .26. It seems clear that firms did, at propitious moments, substitute stock financing for bond financing in order to avail themselves of lower costs.

No one is sure of the extent to which high costs of financing deter corporate spending for new plant and equipment. But it seems reasonable to believe that to some extent they do. It also seems reasonable, then, that a rising stock market during the 1950's encouraged some corporate spending that otherwise might not have taken place. Moreover, in each recession of the fifties, the stock market began rising while the rest of the economy was still slumping. A leading stock market would seem favorable to both corporate spending ad economic recovery.

The direction of the market, it appears, means something to both consumers and business. Perhaps sophisticated traders do discount the future accurately in trading stocks and money; but if their trading is strong enough to change the direction of the market, they would seem to set in motion forces that tend to confirm their beliefs. Other investors may follow their lead and so may business and consumer spending.

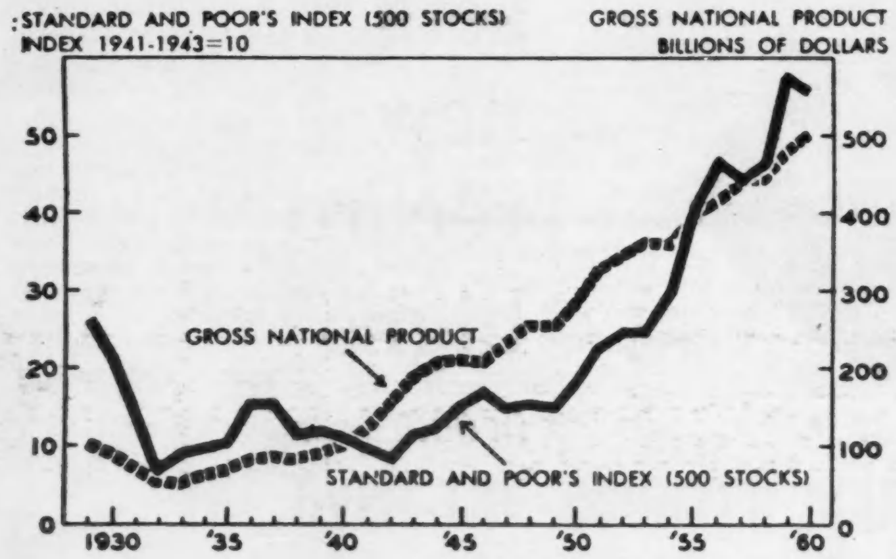
### The Market and the Economy—Quo Vadis

Neither the business cycle nor economic growth can be traced directly to the stock market. The strongest forces probably operate in the other direction, with the market reflecting changes in the level of economic activity. But it would probably be just as much of a mistake to assume that the stock market has no influence at all on business conditions.

Contrary to the beliefs of many, the Gerat Depression of the 1930's was not initiated by the stock market crash in 1929—the depression began well before those bleak days in late October and reflected underlying structural weaknesses in the economy. But the ragged course of the economy

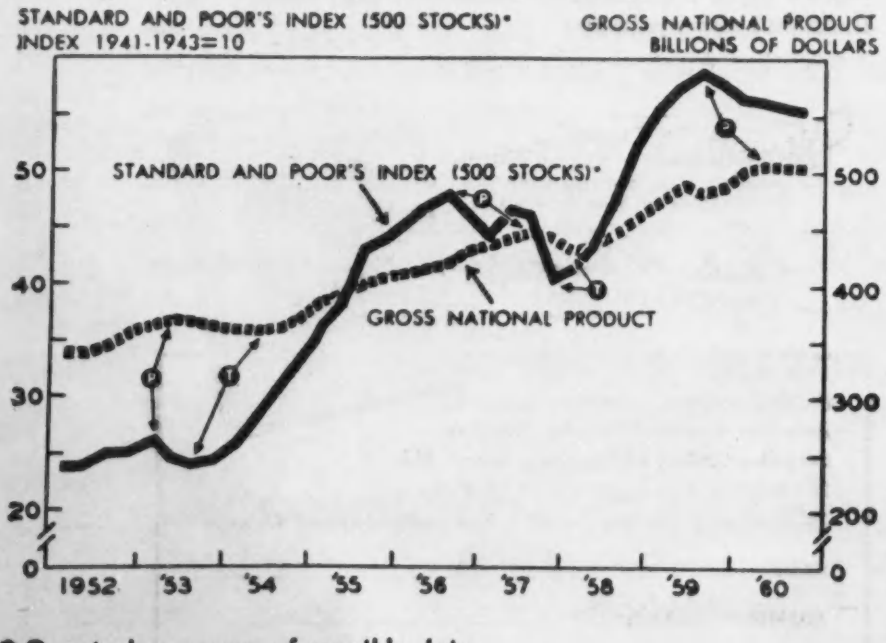
## OVER THE LONG PULL

***Since 1929 the stock market and gross national product have generally moved together. In the 1940's the market, by comparison, rose somewhat sluggishly. But in the 1950's stock prices began to increase very rapidly; by the middle of the decade the market had made up all the ground it had lost in the forties; and by the end of the decade, its growth over the previous 20 years, had exceeded that of gross national product.***




## THE STOCK MARKET—A LEADING INDICATOR

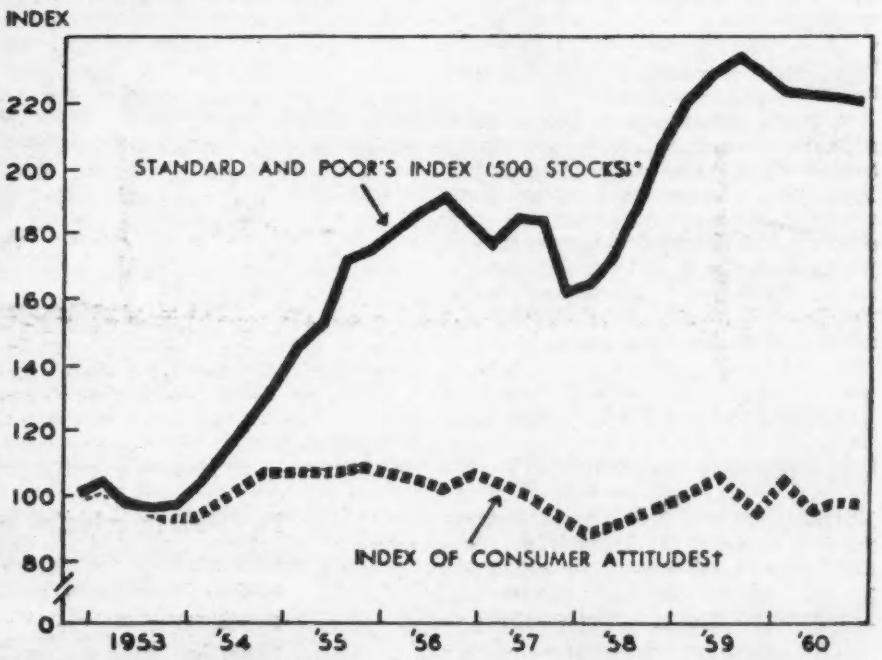
***During the 1950's, turns in the stock market have generally led cyclical turning points—the peaks (P's) tnd troughs (T's)—in gross national product. In the last half of 1959, a drop in the market anticipated the decline in economic activity in mid-1960.***




* Quarterly average of monthly data.

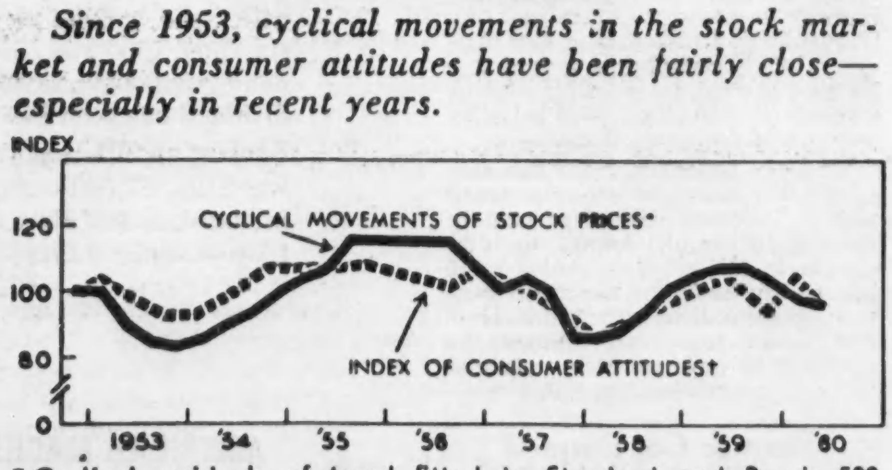
## MARKET-SENTIMENT

***Consumer feeling of optimism and pessimism, along with stock market prices, typically move in advance of general business conditions. While turning points are not completely clear, the stock market probably moved in advance of consumer attitudes in the recession and recovery of 1957–1958; and, discounting consumer pessimism during the steel strike, moved in advance of attitudes in the most recent downturn in economic activity.***




* 4th quarter 1952 = 100.
† Source: Survey Research Center, University of Michigan (Proceedings of the American Statistical Association, 1960); November-December 1952 = 100. Growing optimism is shown by a rising index of attitudes; pessimism by a falling index.
Shaded areas cover reference dates for recessions established by the National Bureau of Economic Research.

***Since 1953, cyclical movements in the stock market and consumer attitudes have been fairly close—especially in recent years.***




* Cyclical residuals of trend fitted to Standard and Poor's 500 stock index for years 1952–1959.
4th quarter 1952 = 100.
† November–December 1952 = 100.

in the years that followed was certainly influenced by the crash. To paraphrase a recent commentator: when a house, however fragile, succumbs in a storm, some of the blame is usually placed on the storm; one must accord some significance to the typhoon which blew out of lower Manhattan in 1929.

Similarly one must accord some significance to the balmy breezes that blew out of lower Manhattan in the 1950's. They made many people feel good and probably encouraged many to spend.

In some ways this was good. For there were times during the fifties when a fillip to spending was desirable. But there were other times during the fifties—and perhaps more of them—when the economy could have done with a little less spending.

The inflation of the fifties and the stock market were wrapped up with one another. While the rising market probably stimulated spending, it also reflected, in part, the desire of many to hedge against rising consumer prices. Stock purchases, made in the hope that stock values would rise faster than the price level, helped drive the market up; but they also created a dangerous situation. Experience has shown us that people will not indefinitely purchase stocks at prices that give them little or no income now and really promise little or no income in the foreseeable future. If the market rises beyond reason, it must fall when reason returns. And sooner or later, reason does return. All of the people will not discount the hereafter all of the time.

As to the course of the market and the economy in the decade we have now entered, no one is of course certain. In the past few months, the market has shown considerable strength. Observers have wondered if it were not signaling—and, we would add, perhaps helping to shape—the future course of the economy.

Despite its recent show of strength, however, many are predicting that the market will not repeat its rapid ascent of the 1950s in the 1960s. They seem to believe that the current high price-earnings ratios and a more stable consumer price level may prove a barrier to the continuation of the bull market.

Forecasting the stock market is difficult enough a month or a year in advance, much less a decade. But if the forecasters are right in their anticipations, the implication for the economy is clear. Some of the intoxication of the fifties will be missing in the so far so-so soaring sixties.

*Reprinted in part from an article in *Business Review*, February, 1961, a publication of the Federal Reserve Bank of Philadelphia.

### J. E. Andrews Opens

PEBBLE BEACH, Calif.—Jack E. Andrews is engaging in a securities business from offices at 1075 Laurel Lane under the firm name of Andrews Investment Consultants. Mr. Andrews was formerly with Brown, Madeira & Co.

### D. M. Stuart in N. Y. C.

D. M. Stuart & Co., Inc. is now conducting its securities business from offices at 32 Broadway, New York City.

### With Elkins, Morris

BETHLEHEM, Pa.—Elkins, Morris, Stokes & Co., 6 West Broad Street, announce that Mark T. Swartz, Jr. is now associated with them as a registered representative.

### J. C. Brincefield Opens

WASHINGTON, D. C.—James C. Brincefield is engaging in a securities business from offices at 50 Canal Street, S.W.

### Hallgarten Co. Adds Stack in England

Hallgarten & Co., 44 Wall Street, New York, members of the New York Stock Exchange, underwriters and distributors of various types of investment securities of this country and foreign lands, has announced the appointment of Edward G. Stack as one of their representatives in the United Kingdom.

A spokesman for the firm said that the appointment resulted from the expansion of their activities in the United Kingdom and also reflected growing interest in both U. K. and American financial circles in investment opportunities in each other's economies. The London office of the 111-year-old American investment banking house, now located at Augustine House, Austin Friars, E.C. 2, London has been in continuous operation since 1912. The office was maintained through both World Wars and is believed to be the oldest office in London of an American investment banking organization.

Prior to joining Hallgarten, Mr. Stack was Managing Director of the South African subsidiaries of the Vick Chemical Co.

### Form First Realty Syndicators

Martin Ehrlich and Robert Corso have formed First Realty Syndicators with offices at 11 East 44th St., New York City, to engage in a securities business.

### Form Fallon, Kelly & Co.

LOS ANGELES, Calif.—Fallon, Kelly & Co., Inc. has been formed with offices at 2805 Sunset Blvd. to engage in a securities business. Officers are James L. Fallon, President; Robert D. Kelly, Vice-President; and Herbert H. Meyer, Secretary-Treasurer. Mr. Fallon was formerly President of Standard Securities Corp., with which Mr. Kelly was also associated. Mr. Meyer was previously with Shearson, Hammill & Co.

### Form E. Bruce Co.

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn.—E. Bruce Co. has been formed with offices at 3517 Hennepin Avenue to engage in a securities business.

### Hirschel Forms Co.

SILVER SPRING, Md.—Frank H. Hirschel is engaging in a securities business from offices at 8313 Fenton St. under the firm name of Hirschel & Co. Mr. Hirschel was formerly with Hodgdon & Co. and Weil & Co.

### Named Director

Donald K. Phillips, partner in E. F. Hutton & Co., member firm of the New York Stock Exchange, has been elected a Director of the Getty Oil Company. Mr. Phillips is also a Director and Vice-President of E. F. Hutton & Co., Inc., an underwriting affiliate of the securities brokerage concern.

## AS WE SEE IT

*Continued from page 1*

is derived), fibers and other products without which the American peoples could not live as they do now. But, of course, the manufacturers of machinery and other equipment used in converting them into forms directly useful by man perform a similar service. So, too, do the producers of sundry other products essential to mankind if he is to live a civilized life—and in some cases at least if he is to live any kind of life. These elementary and quite obvious truths leave the physiocrats and their followers no leg to stand on in their notion that somehow there is something quite unique in the operations of the farmers.

The second observation is that there can be no validity in the claim that for any reason at all the farmers are entitled to a guarantee of a return that keeps pace with that of other industries. They are certainly entitled to such a return if they can make it, and there is no reason under the sun why they should not turn to some other useful occupation if they find that they can do better there. It need hardly be added that natural forces would keep quite enough farmers on the farms to ensure the output of agricultural products fully equal with demand. As to the supposition that price, production or profits in the various industries normally remain in the same relation to one another through time the facts available to all quickly refute all such notions.

### Where Are the Carriage Makers?

Where are the carriage makers of old? They have, of course, disappeared from the scene. They have either converted themselves into something else or they have simply vanished. But one does not need to confine one's attention to such obvious instances of the relative change in the products of industry. Referring to the so-called national accounts prepared and published by the Department of Commerce, we find that national income originating in agriculture rose something over 100% from 1929 to 1959. But that originating in the railroad industry rose only about 50%. National income originating in all industries, including government, rose more than 350%. Then there is the automobile industry which increased its contribution to the national income by some 440%, while wholesale and retail trade moved up some 400%. And so the story goes. As a matter of fact, the income generated by security and commodity brokers rose less than 15%. What would the farmers think if that fraternity were to put up the claim that they are not sharing in the improvement and growth of the country and should have some sort of government help? The question answers itself—and let no one say that these brokers do not perform functions that are essential to modern industry—as essential, certainly, as some of the services performed by the farmers!

A similar picture would without doubt be revealed in the changes that have occurred in prices. Unfortunately, available statistics are not organized or otherwise quite suitable for such precise comparisons, but such data as are available leave no room for doubt that changes in prices in the various industries over such periods of time are vastly and significantly different, industry to industry. If profit margins do not vary as much—and there is little concrete evidence on the question available—it is doubtless a result of the fact that better and faster adjustments are made throughout industry to demand than by the farmers who certainly have not been much encouraged by government to do anything of the sort.

### Troublesome Factors

Let it be plainly stated that we fully understand that factors beyond the control of the individual farmer have created some very difficult problems for agriculture in this country, just as quite different factors have created grave problems for the railroad industry. Almost incredible advances in technology have made it quite possible for much smaller numbers of farmers to produce a great deal more on smaller total acreage than was the case only a relatively few years ago. This fact has obviously complicated the normal adjustment of farm producers to the market—just as have the various subsidies of the Federal Government. It is, moreover, a fact that to take advantage of this new technology relative costly equipment and larger individual farms are essential. This places the smaller and less well financed farmer in a particularly difficult position. Skills not ordinarily possessed by the farmer are required for quick transition from farming to industrial pursuits. All these and other difficulties without doubt stand in the path of the farmer in this country today, and they certainly do not make his life easier.

But the fact remains that there is one and only one way in which our farm problem can be solved—or should we say solve itself? That is by a shift of producers from the farms to other pursuits that can and will provide more adequately for many of the marginal farmers of today—and anything, including government policy which stands in the way of such a shift must of necessity retard rather than speed the arrival of better times for agriculture.

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# No "Tax Loophole" Present In Municipal Bond Immunity

*Continued from page 1*

ties. In answer to Congressional questioning at the time of his confirmation he stated that in considering any proposal to repeal our tax exemption, consideration must be given to the effect on state and local government borrowing and on the bond markets in general. He was, nevertheless, noncommital on the Administration's policy on this issue. But I feel that so long as any Federal official is alert to the consequences of such a proposal to state and municipal bond markets, we are more than halfway home in convincing him that the immunity guaranteed by the Constitution should not be attacked.

But, together with all state and municipal officers, we are very much concerned about the statements of the Treasury's new Assistant Secretary, Stanley Surrey, who has taken his place with those who would centralize all government in Washington and who would start by subjecting state and local financing to the taxing powers of the central government. State and municipal officials must be concerned also by the past statements, in the same vein, of Professor Walter W. Heller, the new Chairman of the Council of Economic Advisors.

### CED Long-Time Foe of Immunity Principle

Over the years, the Committee for Economic Development, an association of business leaders, has advocated the full removal of tax immunity from municipal bonds. A few weeks ago their Research and Policy Committee again attacked the immunity of municipal bonds. It is interesting to note that this year the Committee proposes a pro rata tax—from a partial exemption in the higher tax to a full exemption for municipal bonds in the lower brackets. Five of the Committee's 44 members dissented from the proposed modification.

I cannot believe that the businessmen who lend their support to the Committee for Economic Development have given any thought to the violent disruption of our constitutional system that is implicit in this destructive proposal. I think that if they had been given the opportunity to reflect on what they were signing they would have agreed with the late Senator William E. Borah that:

> "To construe the (16th) Amendment so as to enable us to tax the instrumentalities of the States would do violence to the rules laid down by the Supreme Court for a 100 years, wrench the whole Constitution from its harmonious proportions, and destroy the object and purpose for which the whole instrument was framed."

I can only conclude that the Committee has been taken in by the seductive theory that investment in municipals siphons off the market for venture capital. The fallacy of this theory has been demonstrated over and over again.[1]

Despite these worries and uncertainties, I am confident that these same forces which have defeated every attack on the immunity of state and municipal financing in the past, will succeed again if the issues arises.

### The Past Attempts to Tax Municipal Bond Interest

To properly appraise this prediction I think it will be helpful if I review the history of the successful defense by the states and cities against the attacks on their immunity from Federal taxation which were made during the Roosevelt and Truman Administrations.

In June 1938 the Treasury and the Department of Justice asserted not only the power to tax the interest on state and municipal bonds, both bonds outstanding as well as future issues, but also to tax the bonds themselves, and indeed, the very revenues of state agencies. The opening gun of this broad attack had come in April 1938 with a message from President Roosevelt to the Congress—a Democratic Congress by the way—calling for the immediate enactment of a bill taxing future issues of municipal bonds.

The Attorneys General of 40 of the states together with a representation of municipal law officers met in Washington to formulate a plan of coordinated action in meeting this attack. The outcome of their meeting was the organization of the Conference on State Defense. The function of the Conference was to serve as a catalyst which would bring together and coordinate the opposition of state and municipal officials, and of state and municipal associations, such as the Council of State Governments, the Governors Conference, the National Association of Attorneys General, the American Municipal Association, the United States Conference of Mayors, the Municipal Finance Officers Association, the National Institute of Municipal Law Officers, and the National Association of County Officials.

When the Conference was first organized, we were faced with quite a task. We had to muster our own forces in state and local government and try to give them the hope, the encouragement and the will to make the all-out fight that was so obviously necessary at that time to preserve the immunity of state and local bonds. It was the surprising fact that few state and municipal officers in those days realized the critical importance of the immunity of their securities; the constitutional, fiscal and economic reasons for its existence, or the tragic consequences of its possible loss.

Our second effort at that time was to analyze the arguments of the Treasury Department and the Department of Justice and to study and put together the economic and legal answers in the form of source materials which would be available for the use of our fellow state and municipal officials in arguing the soundness of their cause.

Our third and, of course, our most critical effort was to see to it that state and municipal officials throughout the country brought the force of their arguments to the attention of the Congress and later, through the Attorneys General of the States, before the courts which later reviewed the *Shamberg* case and other related legal actions.

In response to President Roosevelt's message in 1938 the Senate had created a Special Committee on the Taxation of Governmental Securities. The Conference on State Defense organized the presentation of the state and municipal case in opposition to the Treasury proposal before that committee and a few months later before the Ways and Means Committee of the House.

### The Basic Issues

Here let me sum up the basic issues as they were developed then and as they were presented to the Congress and to the courts.

First let me emphasize that any attempt to tax the interest on state and municipal bonds would, in my opinion, and (what is much more important) in the opinion of the Attorneys General of the States, municipal law officers and bond counsel, be unconstitutional. We had them and we have today every confidence that the Supreme Court would so hold. The continued validity of the doctrine of the immunity of municipal bonds from Federal taxation is indicated by the Supreme Court decisions in the field, since the burden of such a tax is measurable and real and direct,[2] unlike borderline cases in which the Court has permitted taxation.[3]

Members of the I. B. A. are in an authoritative position to know that a tax on state and municipal bond interest would increase the interest rate which would be necessary to continue to attract investment money for state and local government purposes. They know too that in very many cases the additional interest would break the deal and make it impossible to sell the bonds at all. With today's high interest costs, the financial resources of many communities would be stretched beyond the breaking point or, in the case of many revenue bond issues, the balance would have been tipped beyond the point of economic practicability. Cities, counties and districts with low credit ratings or with an unrated credit, might not be able to borrow at all. In the language of the Supreme Court, therefore, there could be no burden more measurable, real and direct.

We were also confirmed in our confidence by the opinions of the Supreme Court in the *Saratoga Springs* decision in 1946,[4] in which a brief defending the states' immunity and signed by the Attorneys General of 45 states was submitted to the Court.

It should be noted that of the three surviving judges of the Court which decided the *Saratoga Springs* case, Justices Douglas and Black expressed their strong and continued support to the constitutional doctrine of state immunity from Federal taxation. And I might also note that the present Chief Justice, Earl Warren, when he was Attorney General of California, was one of the organizers of the Conference on State Defense and continued on its board for many years, even after he became Governor of California.

### Treasury's Argument Invalidated By Facts

Another one of the basic issues was the Treasury's argument that state and municipal bond exemption is primarily a vehicle of tax avoidance. We found that that argument was not supported even then by the Treasury's own figures of the distribution of municipals. And most recent distribution figures today confirm the fact that only about 40% of municipals are held by individuals, the bal-

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1 See Page 9, infra. See also Cushman McGee, Exemption of Interest on State and Municipal Bonds, Tax Revision Compendium, Ways and Means Committee, House of Representatives, Vol. 1, pp. 763-4 (1959); Senate Report No. 2140, Pt. 2, 76th Cong., 3rd Sess., p. 19 ff.

2 James v. Dravo Contracting Co., 302 U. S. 134 (1937); Alabama v. Kings & Borzer, 314 U. S. 1 (1941).

3 New York v. United States, 326 U. S. 572 (1946); Allen v. Regents of University of Georria, 304 U. S. 439 (1937).

4 New York v. United States, 326 U. S. 572 (1946).

ance being held by institutional investors who are for the most part not subject to taxation at progressive rates. We know today also that municipals compose only about 15% of the assets held in personal trust accounts, as contrasted with their holdings of 60% in common stocks. We find also that municipal bonds amounted to no more than 2.8% of the investments in all of the estates of individuals reported in 1950, 3.2% of those reported in 1954 and 2.7% of those reported in 1955. The average of holdings of municipals in the estates of a million dollars or more has only amounted to about 10% of their assets. This has not changed from the 1930 through the 1950s. And these same million dollar estates, on the returns filed in 1955, (the latest available) reflected average holdings of 64.8% of their assets in corporate stock.

Those who support the Committee on Economic Development and are attracted to the idea that venture capital is diverted by the attraction of tax exempt into municipal bonds, might ponder these investment records.

Finally, when we measured the fiscal effects of such a tax, we found that the gain which the Federal Government might make is almost exactly offset by the loss to be suffered by state and local government. The real change, therefore, would not reflect any fiscal advantage to American Government as a whole but rather a shift of powers and functions from local government to the central government.

### Constitutional Principles the Paramount Factor

But the basic constitutional principles and the basic consequences to the form of our government are more important than theories of tax avoidance, more important than the statistics which demonstrate that the facts do not support those theories, and more important than estimates of additional Federal revenues and of heavy additional costs to state and local governments.

These basic constitutional principles may be summed up as follows:

(1) Whether or not the power to tax is the power to destroy, it is certainly and positively the power to control.

(2) If Congress has the statutory power to tax state and municipal bonds, it inevitably has the power to control state and municipal financing, and

(3) without independent control of its own financing no government, Federal, state or local, can continue as a free and independent state.

It was in the spirit of this political philosophy that Justices Douglas and Black said in their opinion in the Saratoga case that:

". . . The power of one sovereign to tax another is an innovation so startling as to require explicit authority if it is to be allowed. If the power of the Federal Government to tax the States is conceded, the reserved power of the States guaranteed by the 10th Amendment does not give them the independence which they have always been assumed to have. They are relegated to a more servile status. They become subject to interference and control both in the functions which they exercise and the methods which they employ. They must pay the Federal Government for the privilege of exercising the powers of sovereignty guaranteed them by the Constitution, whether, as here, they are disposing of their natural resources, or *tomorrow they issue securities* or perform any other acts within the scope of their police power." [Emphasis added] *New York* v. *United States*, 326 U. S. 572, 595 (1946).

In the foregoing paragraphs then I have tried to summarize once again the economic and constitutional arguments which, to resume our review of the Treasury's attacks on the immunity of municipal bonds, persuaded the United States Senate in 1940, when the issue finally came to a floor vote, to support the position of the states and cities and to defeat the efforts of the Roosevelt Administration. In the House, after extensive hearings, the Ways and Means Committee never reported the Treasury bill to the floor.

It should be remembered that this was a Democratic Congress. There were very few major issues, other than this and the Court Packing Plan, on which the recommendations of the White House and the Treasury were similarly defeated.

The legislative fight was resumed by Secretary of the Treasury Morganthau in 1942, who then recommended repeal of the statutory exemption not only as to future issues, but even as to outstanding issues of municipal bonds. This time the Treasury was even more resoundingly defeated on the floor of the Senate by a vote of 52 to 34, and once again the Ways and Means Committee refused to report the bill.

### The Oblique Approach

Defeated in the Congress, the centralists turned to the judicial front, trying to break through the constitutional and statutory barriers by arguing that The Port of New York Authority, an agency of the States of New York and New Jersey, was not a "political subdivision" of the States within the language of the statutory exemption. But both the Tax Court and the Circuit Court of Appeals held to the contrary that the Port Authority was a political subdivision of the two States and so within even the statutory exemption.[5] Though the Attorney General asked the Supreme Court to review the decision, the Court refused even to entertain the appeal.[6] In a companion case, bonds of the Triborough Bridge and Tunnel Authority were also held exempt,[7] and in 1945, the Supreme Court of the United States turned down the Government's request for a review of the Circuit Court's decision in that case also.[8]

In 1945 and 1946, we were again before the Supreme Court in the *Saratoga Springs* case to which I have already referred, and in which the opinions of both the prevailing majority and dissenting minority of the Court gave no comfort or encouragement whatsoever to the Treasury theories on the taxability of municipals.

Despite their defeats before the Ways and Means Committee and on the floor of the Senate in 1940 and 1942 and their defeats before the Supreme Court, the Federal Government returned to the attack in 1951. And once again the states and cities were successful in resisting the attacks on their fiscal integrity.

### Congressional Turndowns

In 1954 the Treasury moved in rather quickly and obtained an announcement, before the states and cities had had an opportunity to be heard, that the Ways and Means Committee had voted to tax the interest on municipal housing bonds and on industrial revenue bonds. Almost immediately this action was protested to the Committee by high state and municipal officials from all over the country and within a couple of weeks the Committee announced that it had withdrawn its recommendation to attempt to tax housing bonds. With regard to industrial revenue bonds, the Committee adopted a substitute with which many members of the I. B. A. are familiar and under which a tenant in a plant financed by such bonds would not be allowed to take the normal business deduction for the rental he paid to his municipal landlord. This failed to pass the Senate.

And, only in May 1959, the House again defeated, by a vote of 199 to 70, a proposed amendment to the Housing Act which would have provided for taxation of interest on certain future issues of local Housing Authority bonds.

The tactics of these more recent and unsuccessful attacks were apparently to confuse and divide the supporters of state and local government. Housing and industrial development bonds are in controversial areas. But controversy within a sovereign state, or even between the sovereign states, as to the social or fiscal wisdom of policy, is no invitation to the Federal Government to attempt to step in and impose a Federal decision on the states through the exercise of the Federal taxing power. What is or is not a wise fiscal policy is, under the 10th Amendment, a matter of state decision. In this field at least the states, as well as the people, have a right to make their own mistakes. As Justices Douglas and Black wrote in the *Saratoga* case:

"A tax is a powerful, regulatory instrument. Local government in this free land does not exist for itself. The fact that local government may enter the domain of private enterprise and operate a project for profit does not put it in the class of private business enterprise for tax purposes. Local government exists to provide for the welfare of its people, not for a limited group of stockholders. If the Federal Government would place the local governments on its tax collector's list, the capacity to serve the needs of their citizens is at once hampered or curtailed. The field of Federal excise taxation alone is practically without limits. Many state activities are in marginal enterprises where private capital refuses to venture. Add to the cost of these projects a Federal tax and the social program may be destroyed before it can be launched. In any case, the repercussions of such a fundamental change on the credit of the States and on their programs to take care of the needy and to build for the future would be considerable. . . . The power to tax lightly is the power to tax severely. The power to tax is indeed one of the most effective forms of regulation. And no more powerful instrument for centralization of government could be devised."

*New York* v. *United States*, 326 U. S. 572, 593, 594 (1946).

In evaluating the power to tax as the power to control, let us remember that in the 1930s Secretary Morganthau proposed that the immunity of local securities be *ended* for all *except* public housing bonds. I assume that this was because he and his associates had a warm spot in their hearts for housing. Yet, in 1959, for contrary reasons of unenthusiasm in some Federal circles for public housing, we were confronted with a Treasury proposal to *continue* the exemption of all municipal bonds *except* housing bonds.

### Control of Bond Issues Threatened

This illustrates the force of what I have considered the strongest constitutional reason for retaining the immunity of local financing from Federal taxation. The power to tax, as was emphasized in the foregoing quotation of Justices Douglas and Black, unquestionably—I might even say magnetically — involves and invites the power to control. If the Federal Government ever had the power to tax municipal bonds, it would obviously have the power to classify the purposes for which such bonds are issued, taxing some as a penalty for going counter to Federal policy of the moment and exempting others as a reward for compliance with Federal policy. I can imagine no greater blow to local self-government in this country. A political system of sovereign states within a Federal Government involves the constitutional right to have a diversity of local policy, just as freedom of speech requires the right to have a diversity of opinions.

In the fall of 1959 the House Ways and Means Committee held its "loophole" hearings and we were disturbed that a fundamental constitutional issue of such magnitude and consequence as the immunity of state and municipal securities was included in an agenda expressly put together to consider such tax "loopholes" as excessive expense accounts and the like.

Furthermore, the staff of the Committee, who organized the hearings, invited only "tax experts" appearing in an individual and not a representative capacity. They specifically excluded the testimony and refused to hear the views and opinions of our Governors, our Mayors, and other public officials who live closely with the problems of state and local financing and who are best qualified to discuss the impact of such a tax on the program, work and responsibilities of their states and cities. A member of the staff of the Ways and Means Committee was brutally frank about the exclusion of the states and cities of the United States from these hearings, asserting that the object of this extraordinary procedure was frankly to avoid "a parade of Mayors and Governors designed to impress the Committee."

### Analysis of Issues Promised

Fortunately, a most distinguished member of the municipal bond fraternity, Mr. Cushman McGee, of R. W. Pressprich Co.,

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5 144 F 2d 998 (2 Cir 1944).
6 323 U. S. 792 (1945).
7 144 F 2d 1019 (2 Cir 1944).
8 323 U. S. 792 (1945).

# Cruttenden Podesta & Co. To Admit Two Partners

**Donald F. Cook (center) who has been proposed for a general partnership in Cruttenden, Podesta & Co., meets with Walter W. Cruttenden (left), founder and partner of the Chicago-based investment firm, and Robert A. Podesta, managing partner.**

CHICAGO, Ill. — Donald F. Cook and William K. Bosse have been proposed for general partnerships in Cruttenden, Podesta & Co., 209 South La Salle Street, Walter W. Cruttenden, founder and partner of the Chicago-based investment firm, has announced.

Subject to New York Stock Exchange approval, Mr. Cook will be the firm's representative on the Exchange floor. Mr. Bosse continues as its Director of Research in the Chicago head office.

Mr. Cruttenden noted that while the firm's NYST membership dates from 1942, it has been clearing its Big Board transactions through a New York correspondent for many years.

Now, with a partner on the floor, the firm will do its own clearing. The transfer of Exchange membership from Mr. Cruttenden to Mr. Cook, is a necessary formality, as Mr. Cruttenden contemplates no lessening of either his activities or interest in the firm's operations.

Mr. Cook is currently a partner of Reynolds & Co. and its representative on the floor of the American Stock Exchange. He has been in the securities business all of his professional life, except for time out as a Navy pilot in World War II, starting with Reynolds in 1935 as a board boy, and rising through the ranks via the order department to a partnership in 1955.

Mr. Bosse came to Cruttenden, Podesta in October of 1957, as senior analyst in the underwriting department. Previously he was a senior analyst with Glore, Forgan & Co., Chicago, and research department manager for Loewi & Co., Milwaukee. He was appointed C.P.'s Director of Research in May of 1960.

# No "Tax Loophole" Present In Municipal Bond Immunity

*Continued from page 29*

New York City, was invited to present his views at these so-called hearings so that the municipal bond underwriters at least, if not the sovereign states and their cities, had one voice — and a very able one — to challenge theoreticians and centralists.

After the completion of these hearings in the fall of 1959, the House Ways and Means Committee announced that it would "analyze" the testimony during the election year 1960 and would make its proposals at the end of 1960 or early 1961. We trust that the Committee will have no proposals to make on this issue. We trust that it will put it on the shelf beside all of the previous proposals to tax municipals which have been uniformly rejected through the years by the Ways and Means Committee.

**The Life Insurance Industry Legislation**

The third and most recent of the renewed attacks on municipal bonds arises out of the Life Insurance Company Income Tax Act of 1959, which has been called the most intricate piece of legislation that has ever been before Congress.

This Bill as it first passed the House did not respect the full immunity to which the Constitution entitles municipal securities. It would in fact have imposed partial Federal income tax on a basis of a proration theory. This theory would disallow a portion of a business deduction otherwise allowable as a cost of doing business. It thereby effectively reduced the normal benefits of the tax-exemption of municipal bonds.

Two simple tests brought the matter into focus. First, we ascertained that under the House Bill the tax liability of a life insurance company would be increased merely by shifting uninvested idle cash into municipal bonds even though the interest from municipals is supposed to be "wholly tax exempt." Secondly, we ascertained that under the House Bill the tax liability of a life insurance company would be increased simply by switching from lower yielding to higher yielding municipal bonds.

We knew that the attempt in the House Bill to limit municipal bonds to partial exemption could precipitate a new constitutional test case in which the constitutional basis of state immunity might be attacked, and that in the process and in the years during which the case was before the Courts, the whole municipal bond market would be upset and disorganized.

Representatives of the states and cities carried our fight for complete exemption to the Senate Finance Committee. In the belief that they were meeting the problem all the way, the Senate Finance Committee proposed an amendment to the House Bill labeled an "Exception" which declared that:

"If it is established in any case that the application of the definition of taxable investment income . . . results in the imposition of tax on any state and municipal bond interest

"adjustments shall be made to the extent necessary to prevent such imposition."[9]

The Senate amendment became part of the final Bill.

This was a plain expression of Congressional intent and on its face seemed to be a complete answer to the problem. However, state and municipal representatives have been unsuccessful in getting the Treasury to promulgate regulations carrying out the plain directive of this amendment. We have not yet carried our argument to the new Secretary and we are hopeful that he will agree with us.

**The "Proration" Theory**

Basically, the argument of the prior Treasury officials was that the life insurance companies should not be permitted to disregard the interest on state and municipal bonds completely in determining their tax liability, as is done by other corporations and individual holders of such bonds. They have argued for a theory which would require the life insurance companies to "prorate" their most important business deduction (the deduction for policy and other contract liability requirements which is their principal cost of doing business) partly to tax exempt state and municipal bond interest and partly to other income.

The effect of this Treasury approach is something like requiring a person who received interest on municipal bonds and who also had a business expense in his private business, not to take a full allowance for both items, but rather to attribute his expense deduction in part to this tax exempt income. The result of this approach is that while an insurance company would initially exclude all of its tax exempt interest, it would have to add back to the tax base a portion of that interest.

An example of how this "proration" theory would work would be the case of a commercial bank which has a savings department and which also receives interest on municipal bonds. The argument would be that the expense deduction for interest on savings accounts must be reduced in part by a portion of the tax exempt income.

Obviously, this approach would very considerably dilute the value to an insurance company of holding state and municipal bonds. The value would depend not only upon the tax bracket as it does now, but also upon the relative size of deductions. But in the case of a medium size insurance company about three-quarters of the value of the exemption would be lost.

Last year the Treasury published tentative regulations under the Life Insurance Company Tax Act of 1959. These regulations despite the exception in the Act disallowed the full exemption of municipal bond interest. We joined state and local government officials in protesting the failure of those proposed regulations to reflect the "Exception" clause of the statute but achieved only limited success.

The final regulations published last December made changes which at least preserved "neutrality" in the controversy. On the bad side the proposed regulations failed to provide a standard or test under the statutory "Exception" so as to prevent the imposition of tax on any portion of state and local bond interest earned by such companies. On the good side the final regulations did not undercut the statutory exemption and so left both sides free to argue their respective positions as to the effect of the statute.

9 Life Insurance Company Tax Act of 1959, § 804 (a) (6).

**Attitude of Kennedy Administration**

What is critical now is how the new Administration will implement these "neutral" regulations. Will they try for partial taxation of municipal bond interest earned by life insurance companies, or will they refute the historic exemption?

Resulting litigation could upset and disorganize the municipal bond market until such time as the matter is fully decided. Even a favorable decision could not undo the damage that would result while the case was pending.

I cannot promise that we in the Conference on State Defense can head off any new clash in this field—although I remain hopeful. But I am sure that if they are attacked again on this broad issue of the immunity of their bonds, the states and cities will defend themselves with the same vigor and effectiveness that has characterized their response to this challenge over the past 25 years. And I am confident that those who underwrite our issues, support our market and invest in our securities, will come to our assistance and support as they have in the past.

* An address by Mr. Tobin before the Central States Group of the Investment Bankers Association of America, Chicago, Ill., March 15, 1961.

# Commercial Banking Growth Requires Important Changes

*Continued from page 12*

than the unification of the Department of Defense and for many of the same reasons. Three years ago, in an article in *Harper's Magazine*, I proposed that the Secretary of the Treasury and at least one other Treasury official (now probably an undersecretary or assistant secretary rather than the Comptroller of the Currency) be reinstituted as members of the Board of Governors of the Federal Reserve System *ex officio*.

It was not without reason that the framers of the Federal Reserve Act nearly half a century ago thought it wise to have a direct and official liaison between the central bank and the Administration. They felt it imperative that the monetary authority, as clearly provided in the Constitution, be a single authority—or at least that it act with an eye single to a consistent, unified policy. I feel strongly that the Treasury, the central bank, and the Federal Deposit Insurance Corporation should all be under the Secretary of the Treasury, part and parcel of the Administration and no nonsense about the "independence" of the central bank. Such independence as we now have leads to many of the consequences that would result in our own domiciles if we should agree with our wives to make independent decisions concerning the children or the family finances or where we should take our vacations in the summer.

All questions of responsibility to the people aside, it is obvious that debt financing is made more cumbersome and more expensive when the Federal Reserve pays no attention to the Treasury's needs. More important, however, is the jumble of supervisory rules and regulations now imposed by the Treasury, the Federal Reserve, the FDIC, and the state authorities, which needlessly complicate your business, burdening you with a hodge-podge of regulations that should be modernized.[2]

I know that this kind of thinking will not find favor with my friends in the Federal Reserve System, whom I much admire. If all the agencies of the government had staffs equal in integrity and technical competence to those of the Fed, our government would be more efficient in achieving stated goals than it is. I am persuaded, however, that a stabilization policy such as we have experienced in the past four years was ill advised and will lead us sooner or later into troubles reminiscent of the 1930's. As an intellectual product of the Great Depression, I fear a flagging economy more than I fear the plague—or inflation! But more to the point of my remarks, I am persuaded that recent monetary policy has placed the commercial banking system at a grave disadvantage relative to the nonbank financial intermediaries. This policy should be made by officials directly responsible to the voters; it is undemocratic to leave such important decisions to men who, by their own admission, feel that they must be "independent" of our views.

You in the business world and most of us in the academic world pay lip service to the ideal of a free enterprise system. We like to think that it is within our power to make decisions about the management of our own institutions, and we like to think that over the years government will intrude less rather than more in our affairs. Yet no business is regulated in as much detail as commercial banking. Nineteenth century rules of banking conduct are no longer applicable. I for one am in favor of modifying or repealing those that have no relevance to the 1960's.

What do you think?

2 Since delivery of this speech there has been frequent reporting of a reversal of Fed policy, particularly in the direction of accepting Administration wishes that "bills only" be abandoned. Many observers have suggested this shift as evidence of the central bank's willingness to cooperate with an Administration in power. I insist, however, that cooperation between Federal Reserve, Treasury, and the Executive Office of the President should be on a formal and legal basis, that it should not be a product of informal luncheons and subtle presidential pressures.

*The address by Professor Robertson before the Missouri Bankers Association (three-day conference) February, 1961.

# Nytronics, Inc. Stock Offered

Pursuant to a March 17 prospectus an underwriting group headed by Norton, Fox & Co., Inc., 50 Broad St., New York 4, N. Y., publicly offered 100,000 shares of this firm's $1 par capital stock at $5 per share.

The company, of 66 South Main St., Phillipsburg, N. J., is engaged in the development, design, production, and sale of custom-made and standardized electronic components for use in communications equipment, missiles, commercial computers, servos, commercial radio and television, data-handling, navigational, and industrial control equipment.

The net proceeds, estimated at $401,000, will be used for raw materials and labor costs, test equipment, production machinery, and working capital.

## Named Director

David G. Baird, senior partner in the New York Stock Exchange firm of Baird & Co., has been elected a director of Graham-Paige Corp.

# Indications of Current Business Activity

**The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:**

| | | Latest Week | Previous Week | Month Ago | Year Ago |
|---|---|---|---|---|---|
| **AMERICAN IRON AND STEEL INSTITUTE:** | | | | | |
| Indicated steel operations (per cent capacity) | Mar. 26 | 54.0 | 54.0 | 54.0 | 93.7 |
| Equivalent to— | | | | | |
| Steel ingots and castings (net tons) | Mar. 26 | 1,574,000 | 1,573,000 | 1,582,000 | 2,597,000 |
| **AMERICAN PETROLEUM INSTITUTE:** | | | | | |
| Crude oil and condensate output—daily average (bbls. of 42 gallons each) | Mar. 10 | 7,353,310 | 7,240,860 | 7,174,210 | 7,207,910 |
| Crude runs to stills—daily average (bbls.) | Mar. 10 | 8,264,000 | 8,474,000 | 8,405,000 | 7,782,000 |
| Gasoline output (bbls.) | Mar. 10 | 28,534,000 | 28,273,000 | 28,452,000 | 27,642,000 |
| Kerosene output (bbls.) | Mar. 10 | 3,391,000 | 3,250,000 | 3,153,000 | 2,476,000 |
| Distillate fuel oil output (bbls.) | Mar. 10 | 12,885,000 | 14,523,000 | 15,662,000 | 12,149,000 |
| Residual fuel oil output (bbls.) | Mar. 10 | 6,060,000 | 6,871,000 | 7,018,000 | 7,477,000 |
| Stocks at refineries, bulk terminals, in transit, in pipe lines— | | | | | |
| Finished and unfinished gasoline (bbls.) at | Mar. 10 | 224,653,000 | 221,092,000 | 215,330,000 | 221,125,000 |
| Kerosene (bbls.) at | Mar. 10 | 24,896,000 | 24,572,000 | 25,014,000 | 20,536,000 |
| Distillate fuel oil (bbls.) at | Mar. 10 | 95,888,000 | 96,591,000 | 100,540,000 | 91,176,000 |
| Residual fuel oil (bbls.) at | Mar. 10 | 43,299,000 | 42,886,000 | 42,137,000 | 43,227,000 |
| **ASSOCIATION OF AMERICAN RAILROADS:** | | | | | |
| Revenue freight loaded (number of cars) | Mar. 11 | 492,582 | 501,121 | 486,347 | 560,256 |
| Revenue freight received from connections (no. of cars) | Mar. 11 | 475,703 | 472,863 | 468,184 | 542,683 |
| **CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:** | | | | | |
| Total U. S. construction | Mar. 16 | $382,400,000 | $365,300,000 | $329,100,000 | $374,100,000 |
| Private construction | Mar. 16 | 191,400,000 | 144,200,000 | 197,500,000 | 180,900,000 |
| Public construction | Mar. 16 | 191,000,000 | 221,100,000 | 131,600,000 | 193,200,000 |
| State and municipal | Mar. 16 | 133,600,000 | 114,900,000 | 106,100,000 | 100,200,000 |
| Federal | Mar. 16 | 57,400,000 | 106,200,000 | 25,500,000 | 93,000,000 |
| **COAL OUTPUT (U. S. BUREAU OF MINES):** | | | | | |
| Bituminous coal and lignite (tons) | Mar. 11 | 6,100,000 | *6,290,000 | 7,360,000 | 8,054,000 |
| Pennsylvania anthracite (tons) | Mar. 11 | 307,000 | 357,000 | 440,000 | 380,000 |
| **DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100** | Mar. 11 | 127 | *122 | 111 | 116 |
| **EDISON ELECTRIC INSTITUTE:** | | | | | |
| Electric output (in 000 kwh.) | Mar. 18 | 14,295,000 | 14,353,000 | 14,315,000 | 14,219,000 |
| **FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.** | Mar. 16 | 363 | 318 | 374 | 302 |
| **IRON AGE COMPOSITE PRICES:** | | | | | |
| Finished steel (per lb.) | Mar. 13 | 6.196c | 6.196c | 6.196c | 6.196c |
| Pig iron (per gross ton) | Mar. 13 | $66.44 | $66.44 | $66.44 | $66.41 |
| Scrap Steel (per gross ton) | Mar. 13 | $37.83 | $35.83 | $33.50 | $33.50 |
| **METAL PRICES (E. & M. J. QUOTATIONS):** | | | | | |
| Electrolytic copper— | | | | | |
| Domestic refinery at | Mar. 15 | 28.600c | 28.600c | 28.600c | 32.600c |
| Export refinery at | Mar. 15 | 27.175c | 27.425c | 27.100c | 29.875c |
| Lead (New York) at | Mar. 15 | 11.000c | 11.000c | 11.000c | 12.000c |
| Lead (St. Louis) at | Mar. 15 | 10.800c | 10.800c | 10.800c | 11.800c |
| ‡Zinc (delivered) at | Mar. 15 | 12.000c | 12.000c | 12.000c | 13.500c |
| Zinc (East St. Louis) at | Mar. 15 | 11.500c | 11.500c | 11.500c | 13.000c |
| Aluminum (primary pig, 99.5%) at | Mar. 15 | 26.000c | 26.000c | 26.000c | 26.000c |
| Straits tin (New York) at | Mar. 15 | 104.000c | 102.875c | 100.750c | 100.375c |
| **MOODY'S BOND PRICES DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Mar. 21 | 88.63 | 89.00 | 89.25 | 85.52 |
| Average corporate | Mar. 21 | 88.54 | 88.27 | 87.72 | 84.94 |
| Aaa | Mar. 21 | 92.93 | 92.93 | 92.35 | 89.23 |
| Aa | Mar. 21 | 91.34 | 91.05 | 90.48 | 87.45 |
| A | Mar. 21 | 88.13 | 87.86 | 87.32 | 84.17 |
| Baa | Mar. 21 | 82.15 | 82.03 | 81.54 | 79.37 |
| Railroad Group | Mar. 21 | 85.33 | 84.94 | 84.43 | 82.52 |
| Public Utilities Group | Mar. 21 | 89.92 | 89.78 | 89.09 | 85.20 |
| Industrials Group | Mar. 21 | 90.34 | 90.34 | 89.78 | 87.18 |
| **MOODY'S BOND YIELD DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Mar. 21 | 3.73 | 3.67 | 3.65 | 3.98 |
| Average corporate | Mar. 21 | 4.52 | 4.54 | 4.58 | 4.79 |
| Aaa | Mar. 21 | 4.21 | 4.21 | 4.25 | 4.47 |
| Aa | Mar. 21 | 4.32 | 4.34 | 4.38 | 4.60 |
| A | Mar. 21 | 4.55 | 4.57 | 4.61 | 4.85 |
| Baa | Mar. 21 | 5.01 | 5.02 | 5.06 | 5.24 |
| Railroad Group | Mar. 21 | 4.76 | 4.79 | 4.83 | 4.98 |
| Public Utilities Group | Mar. 21 | 4.42 | 4.43 | 4.48 | 4.77 |
| Industrials Group | Mar. 21 | 4.39 | 4.39 | 4.43 | 4.62 |
| **MOODY'S COMMODITY INDEX** | Mar. 21 | 369.8 | 369.6 | 362.0 | 375.5 |
| **NATIONAL PAPERBOARD ASSOCIATION:** | | | | | |
| Orders received (tons) | Mar. 11 | 327,851 | 355,465 | 303,580 | 292,018 |
| Production (tons) | Mar. 11 | 323,093 | 316,648 | 301,286 | 319,033 |
| Percentage of activity | Mar. 11 | 93 | 89 | 90 | 94 |
| Unfilled orders (tons) at end of period | Mar. 11 | 448,677 | 438,950 | 407,005 | 459,954 |
| **OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100** | Mar. 17 | 118.85 | 111.85 | 110.92 | 110.66 |
| **ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS** | | | | | |
| Transactions of specialists in stocks in which registered— | | | | | |
| Total purchases | Feb. 24 | 2,955,410 | 3,403,830 | 3,331,120 | 1,920,990 |
| Short Sales | Feb. 24 | 730,240 | 678,470 | 671,160 | 377,070 |
| Other sales | Feb. 24 | 2,309,930 | 2,855,080 | 2,478,070 | 1,569,900 |
| Total sales | Feb. 24 | 3,040,170 | 3,533,550 | 3,149,230 | 1,946,970 |
| Other transactions initiated off the floor— | | | | | |
| Total purchases | Feb. 24 | 480,670 | 569,250 | 453,700 | 358,800 |
| Short Sales | Feb. 24 | 41,600 | 51,700 | 34,100 | 41,200 |
| Other sales | Feb. 24 | 409,810 | 469,100 | 409,400 | 365,470 |
| Total sales | Feb. 24 | 451,410 | 520,800 | 443,500 | 406,670 |
| Other transactions initiated on the floor— | | | | | |
| Total purchases | Feb. 24 | 882,116 | 986,335 | 1,069,847 | 646,780 |
| Short Sales | Feb. 24 | 147,135 | 187,330 | 167,400 | 100,750 |
| Other sales | Feb. 24 | 831,009 | 974,385 | 969,220 | 545,118 |
| Total sales | Feb. 24 | 978,144 | 1,161,715 | 1,136,620 | 645,860 |
| Total round-lot transactions for account of members— | | | | | |
| Total purchases | Feb. 24 | 4,318,196 | 4,959,415 | 4,854,667 | 2,926,570 |
| Short Sales | Feb. 24 | 918,975 | 917,500 | 872,660 | 519,020 |
| Other sales | Feb. 24 | 3,550,749 | 4,298,565 | 3,856,690 | 2,480,488 |
| Total sales | Feb. 24 | 4,469,724 | 5,216,065 | 4,729,350 | 2,999,508 |
| **STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION** | | | | | |
| Odd-lot sales by dealers (customers' purchases)—† | | | | | |
| Number of shares | Feb. 24 | 2,127,397 | 2,356,501 | 2,199,889 | 1,569,262 |
| Dollar value | Feb. 24 | $103,602,064 | $117,211,707 | $127,337,969 | $77,680,054 |
| Odd-lot purchases by dealers (customers' sales)— | | | | | |
| Number of orders—Customers' total sales | Feb. 24 | 2,195,717 | 2,468,938 | 2,203,239 | 1,232,207 |
| Customers' short sales | Feb. 24 | 8,333 | 9,636 | 13,119 | 10,610 |
| Customers' other sales | Feb. 24 | 2,187,384 | 2,459,302 | 2,190,120 | 1,221,593 |
| Dollar value | Feb. 24 | $99,897,824 | $114,393,522 | $114,340,529 | $57,503,598 |
| Round-lot sales by dealers— | | | | | |
| Number of shares—Total sales | Feb. 24 | 663,880 | 793,090 | 675,334 | 265,300 |
| Short Sales | Feb. 24 | ------ | ------ | ------ | ------ |
| Other sales | Feb. 24 | 663,880 | 793,090 | 675,334 | 265,300 |
| Round-lot purchases by dealers—Number of shares | Feb. 24 | 616,030 | 678,830 | 719,320 | 622,000 |
| **TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):** | | | | | |
| Total round-lot sales— | | | | | |
| Short Sales | Feb. 24 | 1,045,330 | 1,093,140 | 1,034,440 | 666,320 |
| Other sales | Feb 24 | 20,725,110 | 23,069,990 | 21,656,560 | 12,302,140 |
| Total sales | Feb. 24 | 21,770,440 | 24,163,130 | 22,691,000 | 12,968,510 |
| **WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):** | | | | | |
| Commodity Group— | | | | | |
| All commodities | Mar. 14 | 119.9 | 119.7 | 120.0 | 122.0 |
| Farm products | Mar. 14 | 90.2 | *88.8 | 90.4 | 90.3 |
| Processed foods | Mar. 14 | 109.7 | *109.6 | 110.2 | 107.1 |
| Meats | Mar. 14 | 96.6 | *96.0 | 98.4 | 96.4 |
| All commodities other than farm and foods | Mar. 14 | 128.1 | *128.1 | 128.2 | 128.7 |

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

| | Latest Month | Previous Month | Year Ago |
|---|---|---|---|
| **BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of February (000's omitted)** | $222,666,000 | $247,660,000 | $221,984,000 |
| **BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of February** | 12,734 | *16,340 | 14,669 |
| **BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—Month of January (Millions of dollars):** | | | |
| Manufacturing | $53,900 | *$53,900 | $53,700 |
| Wholesale | 13,100 | *13,200 | 12,700 |
| Retail | 24,200 | 24,400 | 23,700 |
| Total | $91,200 | *$91,500 | $90,000 |
| **CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of Jan. 31:** | | | |
| Total consumer credit | $55,021 | $56,049 | $51,468 |
| Instalment credit | 42,782 | 43,281 | 39,738 |
| Automobile | 17,611 | 17,866 | 16,519 |
| Other consumer goods | 11,050 | 11,215 | 10,386 |
| Repairs and modernization loans | 2,967 | 3,008 | 2,769 |
| Personal loans | 11,154 | 11,192 | 10,064 |
| Noninstalment credit | 12,239 | 12,768 | 11,730 |
| Single payment loans | 4,314 | 4,311 | 4,056 |
| Charge accounts | 4,599 | 5,187 | 4,595 |
| Service credit | 3,326 | 3,270 | 3,079 |
| **CONSUMER PRICE INDEX—1947-49 = 100—Month of January:** | | | |
| All items | 127.4 | 127.5 | 125.4 |
| Food | 121.3 | 121.4 | 117.6 |
| Food at home | 118.5 | 118.7 | 114.7 |
| Cereal and bakery products | 139.1 | 139.0 | 134.8 |
| Meats, poultry and fish | 111.6 | 110.5 | 106.4 |
| Dairy products | 119.1 | 119.3 | 116.5 |
| Fruits and vegetables | 126.1 | 126.3 | 125.7 |
| Other food at home | 109.5 | 111.6 | 104.5 |
| Food away from home (Jan. 1953 = 100) | 120.0 | 119.9 | 117.6 |
| Housing | 132.3 | 132.3 | 130.7 |
| Rent | 142.9 | 142.8 | 140.9 |
| Gas and elctricity | 125.9 | 125.6 | 123.2 |
| Solid fuels and fuel oil | 139.6 | 137.0 | 139.0 |
| Housefurnishings | 103.6 | 103.9 | 104.0 |
| Household operation | 138.3 | 138.3 | 135.9 |
| Apparel | 109.4 | 110.6 | 107.9 |
| Men's and boys' | 111.4 | 112.0 | 108.8 |
| Women's and girls' | 99.1 | 101.1 | 98.0 |
| Footwear | 140.3 | 140.7 | 139.4 |
| Other apparel | 93.0 | 94.0 | 92.2 |
| Transportation | 146.2 | 146.5 | 148.1 |
| Private | 134.0 | 134.5 | 136.8 |
| Public | 205.5 | 202.9 | 197.2 |
| Medical care | 158.5 | 158.0 | 153.5 |
| Personal care | 133.7 | 133.7 | 132.7 |
| Reading and recreation | 122.2 | 122.3 | 120.3 |
| Other goods and services | 132.6 | 132.7 | 131.8 |
| **COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of January:** | | | |
| Cotton Seed— | | | |
| Received at mills (tons) | 226,600 | *611,500 | 165,500 |
| Crushed (tons) | 666,900 | *612,900 | 661 300 |
| Stocks (tons) Jan. 31 | 1,964,300 | *2,404,600 | 1,945,400 |
| Cake and Meal— | | | |
| Stocks (tons) Jan. 31 | 227,200 | *197,700 | 131,600 |
| Produced (tons) | 309,800 | *287,500 | 302,700 |
| Shipped (tons) | 280,300 | *289,500 | 281,500 |
| Hulls— | | | |
| Stocks (tons) Jan. 31 | 87,700 | *72,200 | 69,200 |
| Produced (tons) | 155,100 | *138,700 | 155,600 |
| Shipped (tons) | 139,600 | *137,100 | 153,900 |
| Linters— | | | |
| Stocks (bales) Jan. 31 | 234,100 | *195,200 | 228,700 |
| Produced (bales) | 198,400 | *186,300 | 198 900 |
| Shipped (bales) | 159,400 | *172,200 | 207,300 |
| **INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49 = 100—Month of Feb.** | | | |
| Seasonally adjusted | 102 | 102 | 110 |
| Unadjusted | 103 | 102 | 111 |
| **PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914 = 100—As of Jan. 15:** | | | |
| All farm products | 241 | 242 | 232 |
| Crops | 218 | 217 | 220 |
| Commercial vegetables, fresh | 214 | 220 | 273 |
| Cotton | 233 | 243 | 248 |
| Feed, grain and hay | 146 | 141 | 151 |
| Food grains | 207 | 204 | 206 |
| Fruit | 254 | 248 | 203 |
| Oil-bearing crops | 231 | 217 | 216 |
| Potatoes | 178 | 181 | 188 |
| Tobacco | 508 | 520 | 484 |
| Livestock | 261 | 263 | 242 |
| Dairy products | 272 | 278 | 266 |
| Meat animals | 304 | 296 | 279 |
| Poultry and fish | 165 | 178 | 144 |
| Wool | 221 | 226 | 239 |
| **REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of Dec. (000's omitted):** | | | |
| Savings and loan associations | $961,106 | $978,126 | $962,910 |
| Insurance companies | 95,440 | 97,120 | 138,353 |
| Banks and trust companies | 360,793 | 362,770 | 409,808 |
| Mutual savings banks | 131,876 | 143,268 | 151,579 |
| Individuals | 300,528 | 305,902 | 327,393 |
| Miscellaneous lending institutions | 488,319 | 490,494 | 496,459 |
| Total | $2,338,062 | $2,377,680 | $2,486,502 |
| **TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of February:** | | | |
| Net sales | $21,349,200 | $5,615,000 | ------ |
| Net purchases | ------ | ------ | $16,464,300 |
| **U. S. GOVT. STATUTORY DEBT LIMITATION—As of Feb. 28 (000's omitted):** | | | |
| Total face amount that may be outstanding at any time | $293,000,000 | $293,000,000 | $295,000,000 |
| Outstanding— | | | |
| Total gross public debt | 290,543,590 | 290,035,560 | 290,583,412 |
| Guaranteed obligations not owned by the Treasury | 196,067 | 160,486 | 135,392 |
| Total gross public debt & guaranteed obligations | $290,739,657 | $290,196,047 | $290,718,804 |
| Deduct—Other outstanding public debt obligations not subject to debt limitation | 399,281 | 400,294 | 409,671 |
| Grand total outstanding | $290,340,376 | $289,795,752 | $290,309,132 |
| Balance face amount of obligations issuable under above authority | 2,659,623 | 3,204,247 | 4,690,867 |

# STATE OF TRADE AND INDUSTRY

*Continued from page 9*

will realize they must carry enough inventories to sustain operations for longer periods.

Their concerted efforts to build inventories might worsen the supply situation unless the mills could somehow keep pace. The mills would try—and that is why there is a possibility that steelmaking's upward creep may turn into a surge.

The steel inventory liquidation that started last May (when consumer stocks were at a poststrike peak of about 18.5 million tons) is tapering off but has not stopped altogether.

This month's reduction of inventories is expected to be relatively small. While consumption is moving up, so are shipments.

However, service centers probably have an all-time high in steel stocks—as a percentage of total available inventories. For example: One estimate puts user stocks at 9 million tons, including 2.8 million tons at service centers. That is 31% of the total.

Ingot production this week is expected to equal the 1,570,000 tons that *Steel* estimates were poured in the week ended March 18. While operations have declined for three weeks in a row, the tonnage drop is only 0.7% for the period.

The purchase of 900,000 tons of scrap by Japan (to be shipped in the second quarter) is bolstering the scrap market.

*Steel's* composite price on No. 1 heavy melting was up $1 to $37.67 a gross ton, the fifth consecutive week of rise.

### Steel Production Data for the Week Ended March 18

As previously announced (see page 26 of our issue Dec. 22) the American Iron and Steel Institute has materially changed its weekly report on the steel industry operations. The revised formula no longer relates production totals as a percentage of the industry's operating rate based on the Jan. 1, 1960, over-all productive capacity. Instead, and effective Jan. 1, 1961, the output figures are given as an index of production based on average weekly production for 1957-59.

The revised method of reporting presents the following data.

Production for week ending March 18, 1961, was 1,574,000 tons (*84.5%), previous week's output of 1,573,000 tons (*84.4%).

Production this year through March 18, amounted to 16,715,000 tons (*81.6%), or 43.4% below the 29,526,000 tons (*144.1%) in the period through March 19, 1960.

The Institute concludes with Index of Ingot Production by District, for week ended March 18, 1961, as follows:

| | *Index of Ingot Production for Week Ending Mar. 18, 1961 |
|---|---|
| North East Coast | 89 |
| Buffalo | 67 |
| Pittsburgh | 77 |
| Youngstown | 63 |
| Cleveland | 67 |
| Detroit | 90 |
| Chicago | 93 |
| Cincinnati | 89 |
| St. Louis | 101 |
| Southern | 93 |
| Western | 108 |
| Total industry | 84.5 |

*Index of production based on average weekly production for 1957-59.

### Passenger Car Production Last Week Dropped to Its Lowest Level This Year

U. S. passenger car production this week tumbled to its lowest level of the year as General Motors, Ford and Chrysler closed down a total of 20 assembly plants for the five-day period, idling some 83,000 auto workers throughout the industry, *Ward's Automotive Reports* said.

The statistical service said that production of 70,834 cars in the week ending March 17 was the lowest total for any five-day period this year, but said a moderate recovery is indicated in the next two weeks.

Dipping some 22% from 91,202 units turned out last week, *Ward's* said that this week's output was 51.4% below the same period in 1960, and trailed the recessionary 1958 pace by 18%.

*Ward's* reported that Buick, Oldsmobile and Pontiac divisions of General Motors were at a complete standstill last week, with Chevrolet also closing assembly sites at St. Louis and Janesville, Wis. The 11-plant GM shutdown was accompanied by idleness in Fisher Body and AC Spark Plug divisions. All divisions will be reactivated next week.

Chrysler halted Plymouth, Dodge and Imperial making for the session, closing six of the corporation's seven car making facilities. Chrysler car and Dodge truck building were not affected. Improvement in March sales of Chrysler Corp. cars prompted the company to announce, mid-way of the week's layoff, that it will now add 25%, or some 8,800 units to its March production schedule. Some 44,000 car assemblies are now planned as work resumes Monday.

Ford, however, plans to close 10 of its 16 assembly plants all of next week, laying off 16,000 employees. The company closed plants at Chicago and St. Paul this week, and Wednesday, permanently abandoned a Chester, Pa. site. A parts shortage at the Wixom (Mich.) Lincoln and Thunderbird facility brought on a ten-day layoff there Wednesday noon.

American Motors at Kenosha, Wis. worked five days last week, and Studebaker-Packard Corp. continued a four-day program at South Bend.

Ford Motor Co. led car makers this week, accounting for 45.4% of production, followed by General Motors with 39.9%; Chrysler 3.3%, American Motors 9.6% and Studebaker-Packard Corp. with 1.8%.

### Electric Output 0.5% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, March 18, was estimated at 14,295,000,000 kwh., according to the Edison Electric Institute. Output was 58,000,000 kwh. below that of the previous week's total of 14,353,000,000 kwh. and 76,000,000 kwh., or 0.5%, above that of the comparable 1960 week.

### Business Failures Rebound From Decline Week Ago for Week Ended March 16

Commercial and industrial failures rebounded to 363 in the week ended March 16 from 318 in the preceding week, reported Dun & Bradstreet, Inc. Casualties exceeded considerably the 302 occurring in the comparable week last year and the 292 in 1959. In fact, business mortality was running some 22% above the prewar level of 298 in the similar week of 1939.

Failures involving liabilities of $5,000 or more rose to 314 from 287 a week ago and 269 in the previous year. There was also an increase among small casualties, those with losses under $5,000, to 49 from 31. Liabilities ranged above $100,000 for 51 of the concerns failing, as against 44 of this size in the preceding week.

### Intercity Truck Tonnage for March 11 Week Was 5.7% Below Corresponding 1960 Week

Intercity truck tonnage in the week ended March 11, was 5.7% behind that of the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was 2.7% behind the volume for the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

### Car Loadings for March 11 Week Dropped 12.1% Below Same 1960 Week

Loading of revenue freight in the week ended March 11, 1961, totaled 492,582 cars, the Association of American Railroads announced. This was a decrease of 67,674 cars or 12.1% below the corresponding week in 1960, and a decrease of 103,598 cars or 17.4% below the corresponding week in 1959.

Loadings in the week of March 11 were 8,539 cars or 1.7% below the preceding week.

There were 11,069 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended March 4, 1961 (which were included in that week's over-all total) This was an increase of 795 cars or 7.7% above the corresponding week of 1960 and an increase of 3,297 cars or 42.4% above the 1959 week.

Cumulative piggyback loadings for the first nine weeks of 1961 totaled 90,188 for an increase of 45 cars above the corresponding period of 1960, and 28,674 cars or 46.6% above the corresponding period in 1959. There were 57 Class I U. S. railroad systems originating this type traffic in the current week compared with 51 one year ago and 46 in the corresponding week in 1959.

### Lumber Shipments Were 2.8% Behind 1960 Volume

Lumber production in the United States in the week ended March 11, totaled 200,435,000 board feet, compared with 196,044,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 250,088,000 board feet.

Compared with 1960 levels, output declined 19.9%, shipments dropped 2.8%, and orders rose 18.7%.

Following are the figures in thousands of board feet for the weeks indicated:

| | Mar. 11, 1961 | Mar. 4, 1961 | Mar. 12, 1960 |
|---|---|---|---|
| Production | 200,435 | 196,044 | 250,088 |
| Shipments | 210,664 | 194,684 | 216,818 |
| New orders | 255,849 | 230,162 | 215,466 |

### Wholesale Food Price Index Dips To Lowest Level So Far This Year

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dipped appreciably this week to the lowest level so far this year. On March 21 it stood at $6.04, down 0.8% from the prior week's $6.09, and the lowest since the $6.03 of last November 1. It compared with $5.97 on the corresponding date last year, for an increase of 1.2%.

Higher in wholesale cost this week were barley, beef, and sugar. On the down side were flour, wheat, corn, rye, oats, hams, bellies, lard, coffee, cottonseed oil, cocoa, eggs, potatoes, steers, hogs, and lambs.

The Dun & Bradstreet, Inc., Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

### Wholesale Commodity Price Index Hits Highest Ievel Since Last June

Continuing its gradual climb of recent weeks, the Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., rose to 271.69 (1930-32=100) on March 20, the highest level since the 271.84 of June 20, 1960. The current level compared with 271.01 a week earlier and 273.17 on the corresponding date a year ago. The week-to-week rise primarily reflected higher prices on hogs, steers, hides, cotton, rubber, tin, and steel scrap.

### Early Easter Boosts Retail Trade

With Easter falling two weeks earlier this year, consumer buying picked up appreciably in the week ended this Wednesday and over-all retail trade was noticeably higher than the comparable poor 1960 week. The best year-to-year gains was in women's and children's spring apparel and less noticeable increases occurred in men's apparel, furniture, and food products. Volume in major appliances, floor coverings, and linens was down from last year. Sales of new passenger cars picked up from a week earlier, but they remained below last year, according to scattered reports.

The total dollar volume of retail trade in the week ended this Wednesday was 8 to 12% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: South Atlantic +15 to +19; West North Central +13 to +17; Middle Atlantic +12 to +16; East North Central +8 to +12; West South Central +3 to +7; New England, East South Central, and Mountain +1 to +5; Pacific Coast —2 to +2.

### Nationwide Department Store Sales Up 9% From 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended March 11, 1961, showed an increase of 9% above the like period last year. For the week ended March 4, an increase of 24% was reported. For the four weeks ended March 11, 1961, a 13% gain was reported.

According to the Federal Reserve System, department store sales in New York City for the week ended March 11 showed an 11% increase over the same period last year. In the preceding week ended March 4 sales showed an increase of 38% from the same week in 1960. For the four weeks ended March 11 a 21% increase was reported above the 1960 period, while Jan. 1 to March 11 a 2% decrease occurred.

## Now Partnership

FT. WAYNE, Ind. — William D. Kempf has admitted Thomas E. Foelber to partnership in William D. Kempf Stocks & Bonds, Fort Wayne Bank Building. Mr. Kempf was formerly sole proprietor.

## Bristol Dynamics Com. Marketed

Pursuant to a March 20 prospectus, William, David & Motti, Inc., 50 Broadway, New York City, publicly offered 100,000 shares of the one cent par common stock of Bristol Dynamics, Inc. at $7 per share. Of the shares offered, 30,000 were for the account of Melvin D. Douglas, the issuer's President, and the remaining 70,000 were for the account of the company.

The company is in the business of making and selling electrical and mechanical assemblies, electronic and missile hardware components and systems, and special tools and fabrications. The company's net proceeds, estimated at about $390,000, will be used for debt reduction, inventory expansion, new facilities and improvement of present facilities, research and development, and working capital.

## Form Norman Lemmons, Inc.

HAMMOND, Ind.—Norman Lemmons, Inc. has been formed with offices at 733 173rd St. to engage in a securities business. Officers are Norman Levinson, President; and F. Levinson, Secretary.

## In Phila. Will Now Be Doremus & Co. Inc.

Effective immediately, the Philadelphia office of Doremus & Co., national advertising and public relations firm, will operate as Doremus & Company Incorporated.

Previously, the name of the Philadelphia office had been Doremus-Eshleman Company, as a result of its merger with the Benjamin Eshleman Company in 1953.

## Now Tani Tokunaga

HONOLULU, Hawaii — The firm name of Paul Tokunaga & Co., 1116 Pensacola Street, has been changed to Tani, Tokunaga & Co. Inc.

## Now Williamson Secs.

The firm name of William R. Batkin Co. Inc. has been changed to Williamson Securities Corp., and the main office is now located at 92 Liberty Street, New York City. The firm formerly did business from Valley Stream, L. I.

## Schweickart to Admit

On March 9 Allen Kandell will become a limited partner in Schweickart & Co., 29 Broadway, New York City, members of the New York Stock Exchange.

# Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

*NOTE—Because of the large number of issues awaiting processing by the SEC it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.*

**Accesso Corp. (4/3-7)**
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

**Acme Missiles & Construction Corp. (3/27-31)**
Jan. 6, 1961 filed 30,000 outstanding shares of class A common stock. **Price** — To be supplied by amendment. **Business**—The construction and installation of missile launching platforms. **Proceeds**—To selling stockholders. **Office** — 43 North Village Avenue, Rockville Centre, N. Y. **Underwriter**—None.

**ACR Electronics Corp. (4/17-21)**
Sept. 28, 1960 filed 150,000 shares of common stock, 75,000 series I common stock purchase warrants, and 75,000 series II common stock purchase warrants, to be offered in units, each unit to consist of two common shares, one series I 5-year purchase warrant, and one 5-year series II warrant. Warrants are exercisable initially at $2 per share. **Price**—To be supplied by amendment. **Proceeds** — For salaries of additional personnel, liquidation of debt, research, and the balance for working capital. **Office**—551 W. 22nd Street, New York City. **Underwriter**—Robert Edelstein Co., Inc., New York City.

**• A-Drive Auto Leasing System Inc. (4/3-7)**
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

**Adler Electronics, Inc.**
Feb. 20, 1961 filed 160,000 shares of common stock, of which 110,000 shares will be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds** — For working capital. **Office**—New Rochelle, N. Y. **Underwriter** — Carl M. Loeb, Rhoades & Co., New York City (managing). **Offering**—Expected in early April.

**Advanced Investment Management Corp.**
Jan. 13,1961 filed 300,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in entities engaged in the insurance business. **Proceeds**—The company will use the proceeds estimated at $851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark.

**★ Airwork Corp. (4/24-28)**
March 17, 1961 filed $1,500,000 of 6% subordinated debentures, due May 1, 1976 and 10-year warrants to purchase 125,000 shares of common stock, to be offered for public sale in units consisting of $1,000 of debentures and an unattached warrant to purchase an undisclosed number of common shares. **Price** — To be supplied by amendment. **Business**—The overhaul and sale of aircraft engines, instruments and accessories. **Proceeds**—To repay bank loans and for working capital. **Office**—Millville, N. J. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

**• Air-X Industries, Inc. (3/27-28)**
Jan. 31, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For purchase of machinery and equipment and for furniture and fixtures and leasehold improvements, including electrical plumbing and heating work. **Office**—1210 Randall Avenue, Bronx, N. Y. **Underwriter** — Lewis Wolf Associates, New York, N. Y.

**Alabama Power Co. (3/23)**
Feb. 13, 1961 this subsidiary of the Southern Co., filed $13,000,000 of first mortgage bonds due 1991 and 80,000 shares of cumulative preferred stock (par $100). **Proceeds**—For expansion. **Office**—600 North 18th St., Birmingham 2, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders on bonds included Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); Morgan Stanley & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); Lehman Brothers; Halsey, Stuart & Co. Inc. **Bids**—To be received up to 11:00 a.m. for the preferred stock and up to 12 noon for the bonds on March 23 at Southern Services, Inc., Room 1600, 250 Park Ave., New York City. **Information Meeting**—Scheduled for March 20 at 2:30 p.m. at the Chemical Bank New York Trust Co., 10th floor.

**Alaska Creamery Products, Inc.**
Dec. 19, 1960 (letter of notification) 130,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To purchase equipment, and other necessary materials for distribution of dairy products. **Address**—Anchorage, Alaska. **Underwriter**—To be named.

**• Alaska-North America Investment Co.**
March 10, 1961 filed 250,000 shares of common stock (par 25c). **Price**—$5.70 per share. **Business**—A closed-end non-diversified investment company. **Proceeds**—For investment. **Office**—1511 K. St., N. W., Washington, D. C. **Underwriter**—Balogh & Co., Inc., Washington 5, D. C.

**Alberto-Culver Co.**
Feb. 15, 1961 filed 155,000 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 130,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of cosmetic and toiletry preparations, particularly in the hair care field. **Proceeds**—For additional working capital. **Office**—2525 Armitage Ave., Melrose Park, Ill. **Underwriter**—Shields & Co., New York City (managing). **Offering**—Expected in early April.

**All-State Credit Corp. (4/20)**
Feb. 21, 1961 filed 200,000 shares of class A stock. **Price**—$5 per share. **Business**—A sales finance company, specializing in the purchase of conditional sales contracts from furniture and appliance dealers throughout the New York City area. **Proceeds**—For the repayment of debt and for working capital. **Office**—71 West Merrick Blvd., Valley Stream, N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc.

**All-Tech Industries, Inc.**
Feb. 23, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To repay a bank loan, retire a chattel mortgage and for working capital. **Address**—Miami, Fla. **Underwriter**—Robert L. Ferman & Co., Inc., Miami, Fla.

**★ Allen (Walter H.) Co. Inc.**
March 6, 1961 (letter of notification) 1,000 shares of common stock (no par) to be offered to the public in 50 units of 20 shares each. **Price**—$2,000 per unit. **Proceeds**—To build up inventories at its Dallas and Houston, Texas warehouses. **Office**—8401 Ambassador Row, Dallas 35, Tex. **Underwriter**—None.

**America-Israel Phosphate Co.**
Dec. 23, 1960 filed 125,000 shares of common stock, each share of which carries two warrants to purchase two additional common shares in the next issue of shares, at a discount of 25% from the offering price. **Price**—$4 per share. **Business**—The prospecting and exploration for phosphate mineral resources in Israel. **Proceeds**—For general business purposes. **Office** — 82 Beaver Street, New York City. **Underwriter**—Casper Rogers Co., New York City (managing).

**American Educational Life Insurance Co.**
Dec. 5, 1960 filed 960,000 shares of class A common voting common stock (par $1) and 240,000 shares of class B non-voting common stock to be sold in units, each unit to consist of 4 shares of class A stock and one share of class B stock. **Price**—$25 per unit. **Business**—The writing of life insurance and allied lines of insurance. **Proceeds**—For capital and surplus. **Office** — Third National Bank Bldg., Nashville, Tenn. **Underwriter**—Standard American Securities, Inc., Nashville, Tenn.

**★ American Gas Co.**
March 22, 1961 filed 101,081 shares of common stock to be offered for subscription by stockholders on the basis of 2.7 new shares for each share held. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for construction. **Office**—Omaha, Neb. **Underwriter**—Cruttenden, Podesta & Co., Chicago (managing).

**• American Molded Fiberglass Co. (4/3)**
Dec. 27, 1960 (letter of notification) 37,043 shares of common stock (par 40 cents). **Price**—$4 per share. **Business** — Manufacturers of fiberglass swimming pools, canoes and small trailer bodies and other custom molded fiberglass products. **Proceeds** — For general corporate purposes. **Office** — 40 Lane St., Paterson, N. J. **Underwriter**—Vestal Securities Corp., New York, N. Y.

**American Mortgage Investment Corp.**
April 29, 1960 filed $1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

**American Telephone & Telegraph Co.**
Jan. 27, 1961 filed 11,225,000 shares of capital stock being offered for subscription by stockholders on the basis

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## NEW ISSUE CALENDAR

**March 23 (Thursday)**
Alabama Power Co. ... **Preferred**
(Bids 11 a.m. EST) $8,000,000
Alabama Power Co. ... **Bonds**
(Bids 12 noon EST) $13,000,000

**March 24 (Friday)**
Bicor Automation Industries, Inc. ... **Common**
(Mortimer B. Burnside & Co., Inc.) $440,000
Jefferson Lake Asbestos Corp. ... **Units**
(A. G. Edwards & Sons) $3,500,000
Renwell Electronics Corp. of Delaware ... **Common**
(William David & Motti, Inc.) $400,000
Rochester Telephone Corp. ... **Common**
(The First Boston Corp.) 273,437 shares
Shinn Industries Inc. ... **Common**
(Myron A. Lomasney & Co.) $900,000

**March 27 (Monday)**
Acme Missiles & Construction Corp. ... **Common**
(No underwriting) 30,000 shares
Air-X Industries, Inc. ... **Common**
(Lewis Wolf Associates) $300,000
Claude Southern Corp. ... **Common**
(Blaha & Co., Inc.) $280,000
Clifton Precision Products Co., Inc. ... **Common**
(W. C. Langley & Co.) 60,000 shares
Dynamic Instrument Corp. ... **Common**
(T. W. Lewis & Co., Inc.; Amos Treat & Co., Inc. and Bruno-Lenchner, Inc.) $300,000
Falls Plaza Limited Partnership ... **Interests**
(Hodgdon & Co., Inc. and Investor Service Securities Inc.) $480,000
Income Planning Corp. ... **Units**
(Espy & Wanderer, Inc.) $200,000
Lake Arrowhead Development Co. ... **Common**
(Van Alstyne, Noel & Co. and Sutro & Co.) $3,000,000
Mansfield Industries, Inc. ... **Common**
(McDonnell & Co., Inc.) 150,000 shares
Municipal Investment Trust Fund, Series A ... **Units**
(Ira Haupt & Co.) $20,000,000
National Food Marketers, Inc. ... **Common**
(Robert Edelstein Co., Inc.) $400,000
Roblin-Seaway Industries, Inc. ... **Class A**
(Brand, Grumet & Seigel, Inc.) $480,000
Thermo Dynamics, Inc. ... **Common**
(Lowell, Murphy & Co., Inc.) $1,102,811.50
Van Dusen Aircraft Supplies, Inc. ... **Common**
(Stroud & Co.) $300,000

**March 28 (Tuesday)**
Beau Electronics, Inc. ... **Common**
(Cooley & Co.) $140,000
Beckman Instruments, Inc. ... **Common**
(Offerings to stockholders—underwritten by Lehman Brothers) 70,000 shares
Circle Controls Corp. ... **Common**
(Rodetsky, Kleinzahler; Walker & Co.; L. C. Wegard & Co. and L. D. Sherman & Co.) $285,000
Greenfield Real Estate Investment Trust ... **Ben. Int.**
(Drexel & Co.) 500,000 shares
Mississippi River Transmission Corp. ... **Common**
(Eastman Dillon, Union Securities & Co. and Dempsey-Tegeler & Co.) 100,000 shares
Shoup Voting Machine Corp. ... **Common**
(Burnham & Co.) 110,000 shares

**March 29 (Wednesday)**
Jensen Industries ... **Common**
(Maltz, Greenwald & Co. and Thomas, Jay Winston & Co.) $300,000
Smith, Kline & French Laboratories ... **Common**
(Smith, Barney & Co., Inc. and First Boston Corp.) 200,000 shares

**March 30 (Thursday)**
Stelma Inc. ... **Common**
(Amos Treat & Co., Inc.) 200,000 shares

**March 31 (Friday)**
Inter-Mountain Telephone Co. ... **Common**
(Offering to stockholders—underwritten by Courts & Co.) 465,000 shares
Mohawk Insurance Co. ... **Common**
(R. F. Dowd & Co., Inc.) $900,000

**April 3 (Monday)**
A-Drive Auto Leasing System, Inc. ... **Class A**
(Hill, Darlington & Grimm) $1,000,000
Accesso Corp. ... **Units**
(Ralph B. Leonard & Sons, Inc.) $600,000
American Fidelity Building & Loan Assn. ... **Com.**
(McClane & Co., Inc.) $500,000
American Molded Fiberglass Co. ... **Common**
(Vestal Securities Corp.) $148,172
Amity Corp. ... **Common**
(Karen Securities Corp.) $226,217
Brooks Instrument Co., Inc. ... **Common**
(Andresen & Co.) 150,000 shares
Coleman Engineering Co., Inc. ... **Common**
(Auchincloss, Parker & Redpath) 150,000 shares
Colonial Mortgage Service Co. ... **Common**
(Drexel & Co. and Stroud & Co.) 100,000 shares
Copter Skyways, Inc. ... **Common**
(C. A. Benson & Co., Inc.) $450,000
Custom Components, Inc. ... **Common**
(Manufacturers Securities Corp.; Bioren & Co.; William Stix Wasserman & Co., Inc.; Chace, Whiteside & Winslow, Inc. and Draper, Sears & Co.) $495,000
Dekcraft Corp. ... **Common**
(Carter, Berlind, Potoma & Weill) 92,000 shares
Dynatronics, Inc. ... **Common**
(R. S. Dickson & Co.) 120,000 shares
Electro Consolidated Corp. ... **Common**
(Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc.) $600,000
Home Lab Supply, Inc. ... **Common**
(Fontano Securities, Inc.) $300,000
Kings Electronics Co., Inc. ... **Common**
(Ross, Lyon & Co., Inc.) $1,180,748

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*Continued from page 33*

Marcon Electronics Corp.________________Common
(Meade & Co.) $300,000

Marine Capital Corp.____________________Common
(Paine, Webber, Jackson & Curtis) $9,995,000

Packard Instrument Co., Inc.____________Common
(A. G. Becker & Co., Inc.) 100,000 shares

Personal Property Leasing Co.___________Capital
(Dempsey-Tegeler & Co.) $975,000

Presidential Realty Corp._______________Common
(Burnham & Co.) 150,000 shares

Progress Webster Electronics Corp.______Common
(Marron, Sloss & Co., Inc.) $675,000

White, Shield Corp._____________________Common
(Adams & Peck) 50,000 shares

Winston-Muss Corp.______________________Units
(Lee Higginson Corp.) $9,000,000

**April 4 (Tuesday)**

Central Mutual Telephone Co., Inc.______Common
(Offering to stockholders—underwritten by Folger, Fleming-W. B. Hibbs & Co., Inc.) $280,000

Elion Instruments, Inc._________________Capital
(Warner, Jennings, Mandel & Longstreth) 60,000 shares

Geriatric Pharmaceutical Corp.__________Common
(T. M. Kirsch Co.) $200,000

Rego Insulated Wire Corp._______________Common
(Russell & Saxe, Inc.) $900,000

Southern California Edison Co.__________Bonds
(Bids 8:30 a.m. PST) $30,000,000

Southern Pacific Co.__________Equip. Trust Ctfs.
(Bids noon EST) $1,245,000

**April 5 (Wednesday)**

Deere (John) Credit Co._________________Debentures
(Harriman Ripley & Co., Inc.) $25,000,000

Tennessee Gas Transmission Co.__________Preferred
(Stone & Webster Securities Corp. and White, Weld & Co.) 200,000 shares

**April 6 (Thursday)**

Flintkote Co.___________________________Debentures
(Lehman Brothers) $35,000,000

**April 10 (Monday)**

Automation Development, Inc.____________Common
(First Philadelphia Corp.) $150,000

Customline Control Panels, Inc._________Common
(Blaha & Co. Inc.) $300,000

Irvington Steel & Iron Works____________Common
(L. L. Fane & Co., Inc.) $300,000

Michigan Gas Utilities Co.______________Common
(Kidder, Peabody & Co., Inc.) 100,000 shares

National Bowl-O-Mat Corp._______________Common
(Granbery, Marache & Co.) 220,000 shares

Publishers Co., Inc.____________________Common
(Amos Treat & Co., Inc. and Roth & Co., Inc.) $2,200,000

Tronomatic Corp.________________________Common
(Plymouth Securities Corp.) $260,000

**April 11 (Tuesday)**

Commonwealth International & General Fund__Com.
(North American Securities Co.) Amount unknown

Max Factor & Co.________________________Class A
(Blyth & Co., Inc.) 400,000 shares

New England Telephone & Telegraph Co.___Debs.
(Bids to be received) $45,000,000

**April 12 (Wednesday)**

Hawaiian Electric Co., Ltd._____________Bonds
(Dillon, Read & Co., Inc. and Dean Witter & Co.) $12,000,000

Selas Corp. of America__________________Common
(Eastman Dillon, Union Securities & Co.) 170,000 shares

United International Fund Ltd.__________Common
(Kidder, Peabody & Co., Bache & Co. and Francis I. du Pont & Co.) $12,500,000

**April 13 (Thursday)**

Spiegel Corp.___________________________Debentures
(Wertheim & Co.) $40,000,000

**April 17 (Monday)**

ACR Electronics Corp.___________________Units
(Robert Edelstein Co., Inc.) 75,000 units

Chalco Engineering Corp.________________Common
(First Broad Street Corp.) $600,000

Chroma-Glo, Inc.________________________Common
(Jamieson & Co.) $297,000

Kreisler (Charles) Inc._________________Common
(Albion Securities Co., Inc.) $300,000

Ohio-Franklin Fund, Inc.________________Common
(Distributor—The Ohio Co.) 2,000,000 shares

**April 18 (Tuesday)**

Charles of the Ritz, Inc._______________Common
(White, Weld & Co., Inc.) 215,000 shares

Mack Trucks, Inc._______________________Debentures
(Eastman Dillon, Union Securities & Co.) $20,000,000

Mead Corp.______________________________Debentures
(Drexel & Co. and Harriman Ripley & Co.) $25,000,000

Resitron Laboratories, Ltd._____________Common
(Donald E. Lieberman & Co.) $200,000

**April 19 (Wednesday)**

Minneapolis-Honeywell Regulator Co._____Preference
(Eastman Dillon, Union Securities & Co.) 250,000 shares

Minneapolis-Honeywell Regulator Co._____Debens.
(Eastman Dillon, Union Securities & Co.) $25,000,000

Transcontinental Gas Pipe Line Corp.____Bonds
(White, Weld & Co. and Stone & Webster Securities Corp.) $35,000,000

**April 20 (Thursday)**

All-State Credit Corp.__________________Class A
(Mortimer B. Burnside & Co., Inc.) $1,000,000

Grolier Inc.____________________________Common
(Dominick & Dominick) 120,000 shares

Haloid Xerox Inc._______________________Debentures
(Offering to stockholders—underwritten by First Boston Corp.) $15,093,600

Orange & Rockland Utilities, Inc._______Bonds
(Bids to be received) $12,000,000

**April 24 (Monday)**

Airwork Corp.___________________________Units
(Auchincloss, Parker & Redpath) $1,500,000

Ampoules, Inc.__________________________Common
(Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc.) $400,000

Blatt (M.) Co.__________________________Common
(Maltz, Greenwald & Co.; Clayton Securities Corp.; Rodetsky, Kleinzahler, Walker & Co. and L. C. Wegard & Co.) 100,000 shares

Dixie Natural Gas Corp._________________Common
(Vestal Securities Corp.) $300,000

Duke Power Co.__________________________Common
(Offering to stockholders—no underwriting) 368,000 shares

Economy Book Co.________________________Common
(Hayden, Stone & Co.) 150,000 shares

Electronic Assistance Corp._____________Common
(Hayden, Stone & Co.) 110,000 shares

Jodmar Industries, Inc._________________Common
(Fontana Securities, Inc.) $300,000

Majestic Specialties, Inc.______________Common
(Hayden, Stone & Co.) 140,000 shares

United States Freight Co._______________Debentures
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith, Inc.) $15,393,900

**April 25 (Tuesday)**

Endevco Corp.___________________________Common
(White, Weld & Co.) 125,000 shares

Iowa-Illinois Gas & Electric Co.________Bonds
(Bids to be received) $15,000,000

National Fuel Gas Co.___________________Debentures
(Bids 11 a.m. EST) $27,000,000

New England Telephone & Telegraph Co.___Com.
(Offering to stockholders—no underwriting) approx. 3,150,000

**April 26 (Wednesday)**

Madison Gas & Electric Co.______________Bonds
(Bids to be received) $7,000,000

**May 1 (Monday)**

Dodge Wire Corp.________________________Common
(Plymouth Securities Corp.) $600,000

Season-All Industries, Inc._____________Common
(Moore, Leonard & Lynch) 100,000 shares

Sigma Instruments, Inc._________________Common
(W. C. Langley & Co.) 200,000 shares

Stratton Corp.__________________________Debentures
(Cooley & Co.) $550,000

**May 2 (Tuesday)**

Bell Telephone Co. of Pennsylvania______Debentures
(Bids to be received) $50,000,000

**May 3 (Wednesday)**

Washington Gas Light Co.________________Bonds
(Bids 11 a.m. EST) $12,000,000

Washington Natural Gas Co.______________Common
(Bids to be received) 110,000 shares

**May 4 (Thursday)**

Sierra Pacific Power Co.________________Common
(Offering to stockholders—no underwriting) Approximately 132,570 shares

**May 9 (Tuesday)**

Peoples Gas Light & Coke Corp.__________Bonds
(Bids to be received) $30,000,000

**May 10 (Wednesday)**

CTS Corp._______________________________Common
(Goldman, Sachs & Co.) 300,000 shares

**May 11 (Thursday)**

Sierra Pacific Power Co.________________Bonds
(Bids to be received) $6,500,000

**May 15 (Monday)**

Arkansas Power & Light Co.______________Bonds
(Bids 11:30 a.m. EST) $12,000,000

**May 16 (Tuesday)**

New York State Electric & Gas Corp._____Bonds
(Bids to be received) $25,000,000

**May 17 (Wednesday)**

Pennsylvania Electric Co._______________Bonds
(Bids 11 a.m. EST) $30,000,000

**May 18 (Thursday)**

Interstate Power Co.____________________Bonds
(Bids 11 a.m. EST) $9,000,000

Interstate Power Co.____________________Common
(Offering to stockholders—Bids 11:00 a.m. EST) 230,000 shares

**May 23 (Tuesday)**

Michigan Consolidated Gas Co.___________Bonds
(Bids to be received) $30,000,000

**May 25 (Thursday)**

New Orleans Public Service, Inc.________Bonds
(Bids to be received) $15,000,000

**June 1 (Thursday)**

Columbia Gas System, Inc._______________Debentures
(Bids to be received) $30,000,000

**June 5 (Monday)**

Pennsylvania Electric Co._______________Debentures
(Bids noon EST) $12,000,000

**June 6 (Tuesday)**

American Telephone & Telegraph Co.______Bonds
(Bids to be received) $250,000,000

Michigan Wisconsin Pipe Line Co.________Bonds
(Bids to be received) $30,000,000

Public Service Electric & Gas Co._______Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 900,000 shares

**June 8 (Thursday)**

Brooklyn Union Gas Co.__________________Bonds
(Bids to be received) $20,000,000

**June 13 (Tuesday)**

Virginia Electric & Power Co.___________Bonds
(Bids 11 a.m. EST) $30,000,000 to $35,000,000

**June 15 (Thursday)**

Photronics Corp.________________________Common
(Offering to stockholders—underwritten by L. D. Sherman & Co.) 150,000 shares

Southern Electric Generating Co.________Bonds
(Bids 11 a.m. EST) $25,000,000

**June 20 (Tuesday)**

Consolidated Edison Co. of New York, Inc.__Bonds
(Bids 11 a.m. EST) $50,000,000

**June 27 (Tuesday)**

Massachusetts Electric Co.______________Bonds
(Bids to be received) $17,500,000

**September 28 (Thursday)**

Mississippi Power Co.___________________Bonds
(Bids to be received) $5,000,000

Mississippi Power Co.___________________Preferred
(Bids to be received) $5,000,000

**October 18 (Wednesday)**

Georgia Power Co._______________________Bonds
(Bids to be received) $15,500,000

Georgia Power Co._______________________Preferred
(Bids to be received) $8,000,000

**December 7 (Thursday)**

Gulf Power Co.__________________________Bonds
(Bids to be received) $5,000,000

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of one new share for each 20 shares held of record Feb. 23, with rights to expire April 14. **Price—$86** per share. **Proceeds**—For advances to subsidiaries, for the purchase of stock offered for subscription by such companies, for expansion of its own facilities and for general corporate purposes. **Office**—195 Broadway, New York City. **Underwriter**—None.

**● Amity Corp. (4/3-7)**
Jan. 17, 1961 filed 88,739 shares of common stock (par $1). **Price**—$3 per share. **Business**—Land development, including the building of an air strip, a marina, and a housing cooperative. This is the issuer's first public financing. **Proceeds**—For general corporate purposes, including $170,000 for construction and $12,000 for debt reduction. **Office**—Equitable Building, Baltimore, Md. **Underwriter**—Karen Securities Corp., New York City.

**Ampoules, Inc. (4/24-28)**
Feb. 28, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Business**—The design and development of sterile disposable hypodermic ampoules for administering medication. **Proceeds**—For general corporate purposes including laboratory equipment, salaries for engineers, moulds and dies, and working capital. **Office**—238 North Main St., Hudson, Ohio. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

**Angeles Crest Development Co., Inc.**
Feb. 27, 1961 filed $1,500,000 of 7% subordinated debentures due April 1, 1971 and 75,000 shares of common stock to be offered for public sale in units consisting of $500 of debentures and 25 common shares. **Price**—$632.50 per unit. **Business**—The company was organized under California law in April, 1960, to acquire land for the development of residential lots, a golf course and related facilities. **Proceeds** — For the payment of a mortgage note, for development expenses and for working capital. **Office**—3436 North Verdugo Road, Glendale, Calif. **Underwriters**—Dempsey-Tegeler & Co., St. Louis, Mo., and Lester, Ryons & Co., Los Angeles, Calif. **Offering**—Expected sometime in April.

**Aqua-Chem, Inc.**
March 3, 1961 filed 340,000 shares of common stock (par $1), of which 227,000 are to be offered for public sale by the company and 113,000 outstanding shares by Cleaver-Brooks Co., its parent. **Price**—To be supplied by amendment. **Business** — The company, formerly Cleaver-Brooks Special Products, Inc., is engaged principally in the development, manufacture and sale of equipment used for desalting and purifying sea and brackish water. **Proceeds** — For research and development and working capital. **Office** — 225 North Grand Ave., Waukesha, Wis. **Underwriters** — Carl M. Loeb, Rhoades & Co., New York City and Loewi & Co., Inc., Milwaukee, Wis. (managing). **Offering**—Expected sometime in April.

**● Armstrong Paint & Varnish Works, Inc.**
March 9, 1961 filed 207,315 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of paint, varnish, lacquer and paint cans. **Proceeds**—For the selling stockholders. **Office**—1330 South Kilbourn Ave., Chicago, Ill. **Underwriter** — Lee Higginson Corp., New York City (managing). **Offering**—Expected in early May.

**Atlantic Fund for Investment in U. S. Government Securities, Inc.**
July 22, 1960, filed 2,000,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc. **Offering**—Imminent.

**Audiographic Inc.**
Feb. 27, 1961 filed 150,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To estab-

lish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

**Automatic Canteen Co. of America**
Feb. 7, 1961 filed 127,725 outstanding common shares. **Price** — To be supplied by amendment. **Business**—The development, manufacture, sale, lease and servicing of vending machines. **Proceeds**—To the selling stockholders. **Office**—Merchandise Mart Plaza, Chicago, Ill. **Underwriter**—None.

**• Automation Development, Inc. (4/10-14)**
Jan. 27, 1961 (letter of notification) 40,000 shares of common stock (par 5 cents). **Price**—$3.75 per share. **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York, N. Y.

**B. M. C. Industries, Inc.**
March 1, 1961 filed 50,000 shares of 7% non-cumulative preferred stock (par $7.50); and 200,000 shares of common stock (par one cent), of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holder thereof. The offering will be made in units, each unit to consist of one preferred share and four common shares. **Price**—$11.50 per unit. **Business**—The company, formerly Beakatron Manufacturing Corp., manufactures, assembles and distributes a diverse line of electronic components for use in guidance and communication systems. **Proceeds**—For expansion and working capital. **Office**—1101-1109 Utica Ave., Brooklyn, N. Y. **Underwriter**—International Services Corp., Paterson, N. J.

**• Beau Electronics, Inc. (3/28)**
March 3, 1961 (letter of notification) 40,000 shares of common stock (no par). **Price**—$3.50 per share. **Proceeds**—For purchase of equipment, development, marketing, payment of long-term analysis and working capital. **Office**—1060 Wolcott Rd., Waterbury, Conn. **Underwriter**—Cooley & Co., Hartford, Conn.

**Beckman Instruments, Inc. (3/28)**
Feb. 21, 1961 filed 70,000 shares of common stock (par $1) to be offered for subscription by common stockholders of record March 28, on the basis of one share for each 20 shares held. **Price**—To be filed by amendment. **Business**—Manufactures electronic instruments, components and systems, including precision analytical instruments, computers, precision potentiometers, radiation and medical instruments. **Office** — 2500 Fullerton Road, Fullerton, Calif. **Underwriter**—Lehman Brothers, New York City (managing).

**• Benbow Astronautics, Inc.**
Jan. 18, 1961 (letter of notification) 100,000 shares of class A stock (par 5 cents). **Price**—$3 per share. **Business** — The company supplies the missile and aircraft industries with hydraulic valves and regulators and related mechanical components. **Proceeds**—For additional working capital and for research and development in the fields of cryogenics and high temperature pneumatic systems. **Office**—Culver City, Calif. **Underwriters**—Edward Hindley & Co. (managing); T. M. Kirsch & Co.; Cortlandt Investing Corp., and H. B. Crandall & Co. **Offering**—Imminent.

**Beryllium Manufacturing Corp.**
Feb. 27, 1961 filed 105,000 shares of common stock. **Price**—$4.50 per share. **Business** — The fabrication of pure beryllium components and other materials. **Proceeds**—For expansion and inventory, with the balance for working capital. **Office**—253 W. Merrick Rd., Valley Stream, L. I., N. Y. **Underwriter**—Eldes Securities Corp., New York City. **Offering**—Expected in late April.

**★ Big Boy Properties, Inc.**
March 20, 1961 filed 100,000 shares of common stock. **Price**—$10 per share. **Business**—The company plans to operate a chain of "Big Boy" restaurants in California. **Proceeds** — For the purchase of restaurants and other properties. **Office**—1001 East Colorado Street, Glendale, Calif. **Underwriter**—None.

**• Bicor Automation Industries, Inc. (3/24)**
Jan. 23, 1961 filed 110,000 shares of class A common stock. **Price**—$4 per share. **Business**—The company was organized in December, 1960, to acquire all the capital stock of four corporations in Fairview, N. J., whose principal business is the importation and sale of embroidery manufacturing machinery. **Proceeds**—For new equipment and working capital. **Office** — 333 Bergen Boulevard, Fairview, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York City.

**• Blatt (M.) Co. (4/24-28)**
Feb. 28, 1961 filed 100,000 shares of common stock (par 25 cents). **Price**—To be supplied by amendment. **Business** — The issuer manufactures and installs bowling lanes and related equipment. **Proceeds**—For expansion, new equipment, the repayment of debts and for working capital. **Office**—315 Third St., Trenton, N. J. **Underwriters**—Maltz, Greenwald & Co., New York City (managing); Clayton Securities Corp., Boston, Mass.; Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; and L. C. Wegard & Co., Levittown, N. J.

**Borman Food Stores, Inc.**
Feb. 14, 1961 filed 52,000 outstanding shares of common stock. **Price**—To be related to the current market price on the New York Stock Exchange at the time of the offering. **Business** — Operates a chain of "Food Fair" supermarkets in the Detroit area. **Proceeds** — For the selling stockholders. **Office** — 12300 Mark Twain Ave., Detroit, Mich. **Underwriter** — Shields & Co. New York City. **Offering**—Expected sometime in May.

**Briel Industries, Inc.**
Feb. 17, 1961 (letter of notification) 11,590 shares of class A common stock (par $2.50) to be offered for subscription by stockholders on the basis of one new share for each 16 shares held. **Price**—$8 per share. **Proceeds**—For construction and working capital. **Address**—Industrial Park, Shelbyville, Ky. **Underwriters**—J. J. B. Hilliard & Son and Stein Bros. & Boyce, both of Louisville, Ky.

**Broadcast International, Inc.**
Feb. 28, 1961 (letter of notification) 60,000 shares of common stock (par five cents). **Price**—$5 per share. **Business**—Producers of radio and television programs. **Proceeds**—For general corporate purposes. **Office**—3 W. 57th St., New York City. **Underwriter**—Harry Odzer Co., New York, N. Y.

**• Brooks Instrument Co., Inc. (4/3-7)**
Feb. 16, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Formerly known as Brooks Rotameter Co., the firm manufactures variable area flow meters, generally called "rotometers." **Proceeds**—For European expansion, research and development, and working capital. **Office**—407 West Vine St., Hatfield, Pa. **Underwriter**—Andresen & Co., New York City.

**Business Finance Corp.**
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

**★ C-Mar Instrument Corp.**
March 10, 1961 (letter of notification) 60,120 shares of capital stock (par $1). **Price**—$2.50 per share. **Business**—Manufacturers of fluid measuring devices used in ultrasonic processing of parts for missile and space projects. **Proceeds**—For repayment of bank loans and for working captal. **Office**—35 Euclid Avenue, Manasquan, N. J. **Underwriter**—None.

**★ CTS Corp. (5/10)**
March 16, 1961 filed 300,000 shares of common stock (no par) of which 75,000 shares are to be offered for public sale by the company and 225,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—Manufacures electronic and electro-mechanical components, primarily variable resistors and associated switches. **Proceeds**—To repay debt and for working capital. **Office**—1142 West Beardsley Ave., Elkhart, Ind. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

**California Financial Corp.**
Feb. 23, 1961 filed 88,977 shares of capital stock, of which 35,000 are to be offered for public sale by the company and 53,977 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company, through a subsidiary is engaged in the savings and loan business in the San Francisco area. It also conducts an insurance agency business, renders management services to its subsidiaries and participates in the financing of real estate development projects. **Proceeds**—For the repayment of loans and for expansion. **Office** — 11 Tillman Place, San Francisco, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and J. Barth & Co., San Francisco. **Offering**—Expected in early April.

**★ California Liquid Gas Corp.**
March 20, 1961 filed 125,000 shares of common stock (par $1), of which 50,000 are to be offered for public sale by the company and 75,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The sale and distribution of liquified petroleum gas and accessory equipment. **Proceeds**—To finance the acquisitions of Ransome Co. of Nevada and Liquiefuel, Inc., to retire debt and for working capital. **Office**—P. O. Box 5073, Sacramento, Calif. **Underwriter**—Kidder, Peabody & Co., New York City (managing). **Offering**—Expected some time in May.

**Central Hadley Corp.**
Jan. 27, 1961 filed 41,829 outstanding shares of 5% cumulative convertible preferred stock (par $10), and 481,450 outstanding common shares. **Business**—A holding company with three wholly owned subsidiaries; B. H. Hadley, Inc., which designs, develops, tests and manufactures precision components for fluid control and regulation systems for the missile industry; Stellardyne Laboratories, Inc., which sells testing and cleaning services to the missile industry; and Central Explorers Co., which owns oil leases and develops the leases. **Proceeds**—To the selling stockholders. **Office**—596 North Park Avenue, Pomona, Calif. **Underwriter**—None.

**• Central Mutual Telephone Co., Inc. (4/4)**
March 6, 1961 (letter of notification) 20,000 shares of common stock (par $10) to be offered for subscription by stockholders of record April 4, at the rate of 24 new shares for each 100 shares held with rights to expire April 21. **Price** — $14 per share. **Proceeds** — To repay short-term notes. **Address** — c/o C. Lacey Comption, Esq., Manassas, Va. **Underwriter**—Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc., Washington, D. C.

**Cerel-Perini Associates, Inc.**
Feb. 27, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the business of acquiring and developing land for use as industrial parks. **Proceeds**—For acquisitions, preparation of land and the construction of buildings for lease. **Office**—17 Strathmore Road, Natick, Mass. **Underwriter**—Bear, Stearns & Co., New York City (managing). **Offering**—Expected in mid-to-late April.

**Chalco Engineering Corp. (4/17)**
Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing).

**Charles of the Ritz, Inc. (4/18)**
March 7, 1961 filed 215,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The firm makes and sells cosmetics and toilet preparations for women and, through a subsidiary, makes and sells pencils and ball point pens and related products. **Proceeds**—For a selling stockholder. **Office**—11 E. 58th Street, New York City. **Underwriter**—White, Weld & Co., Inc., New York City (managing).

**• Chroma-Glo, Inc. (4/17-20)**
March 2, 1961 (letter of notification) 90,000 shares of common stock (par 50 cents). **Price** — $3.30 per share. **Business** — The manufacture of pressure sensitive emblems. **Proceeds**—For payment of obligations; purchase of equipment; and for working capital. **Office**—525 Lake Ave., S., Duluth 2, Minn. **Underwriter**—Jamieson & Co., Minneapolis, Minn.

**Church Builders, Inc.**
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

**• Circle Controls Corp. (3/28)**
Oct. 28, 1960 (letter of notification) 95,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business** — Manufacture and rebuilding of electronic, electro-mechanical and mechanical controls. **Proceeds**—For general corporate purposes and working capital. **Office**—204 S. W. Boulevard, Vineland, N. J. **Underwriters**—Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; L. C. Wegard & Co., Trenton, N. J. and L. D. Sherman & Co., New York, N. Y.

**Circle-The-Sights, Inc.**
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

**• Claude Southern Corp. (3/27-31)**
Feb. 27, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents) of which 60,000 shares are to be offered for the account of the company and 10,000 shares by a selling stockholder. **Price** — $4 per share. **Proceeds**—To retire bank loans, purchase machinery and equipment, and for expansion and working capital. **Office**—3950 N. W. 31st Ave., Miami, Fla. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

**★ Cleveland Electronics, Inc.**
March 7, 1961 (letter of notification) 75,000 shares of common stock (no par). **Price**—$4 per share. **Proceeds**—For the repayment of debt, and working capital. **Office**—1974 E. 61st St., Cleveland 3, Ohio. **Underwriter**—None.

**Clifton Precision Products Co., Inc. (3/27-31)**
Feb. 16, 1961 filed 60,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the design, development, produtcion and sale of synchros, instrument servomotors and certain servo-mechanisms for use primarily in aircraft and missiles. **Proceeds**—For the selling stockholder. **Office** — Marple Ave., at Broadway, Clifton Heights, Pa. **Underwriter**—W. C. Langley & Co., New York City.

**Coastal Acceptance Corp.**
March 1, 1961 (letter of notification) $175,000 of 10-year 7% registered series notes to be offered in varying denominations of $100 to $1,000. **Proceeds** — For general corporate purposes. **Office** — 36 Lowell Street, Manchester, N. H. **Underwriter**—Shontell & Varick, Manchester, N. H.

**Coastal Dynamics Corp.**
Jan. 30, 1961 filed 125,000 shares of class A stock. **Price** — $3 per share. **Business** — The company (formerly Coastal Manufacturing Corp.) merged with Wesco Plastic Products, Inc., and is principally engaged in the development, manufacture and sale of edge-lighted instrument and control panels for use in the aircraft, missile and electronic industries. **Proceeds** — For new equipment; payment of debts; to increase inventory of electronic component parts; and for working capital. **Office**—219 Rose Avenue, Venice, Calif. **Underwriter** — V. K. Osborne & Sons, Inc., Beverly Hills, Calif. (managing). **Offering**—Expected sometime in April.

**• Colber Corp.**
Jan. 26, 1961 (letter of notification) 100,000 shares of common stock (par 20 cents). **Price**—$3 per share. **Business**—Manufacturers of resistors. **Proceeds**—For purchase of machinery and equipment, leasehold improvements and for working capital. **Office**—26 Buffington St., Irvington, N. J. **Underwriter**—Richard Bruce & Co., Inc., 80 Pine Street, New York 5, N. Y. **Offering**—Imminent.

**• Coleman Engineering Co., Inc. (4/3-7)**
Feb. 28, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of missile ground handling equipment, electromechanical parts, products and systems. **Proceeds**—To retire bank borrowings, with the balance for working capital and general corporate purposes. **Office**—1010 South Flower St., Los Angeles, Calif. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. (managing).

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**● Colonial Mortgage Service Co. (4/3-7)**
Jan. 31, 1961 filed 100,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Business** —Originating and servicing mortgage loans for institutional investors. **Office** — 141 Garrett Road, Upper Darby, Pa. **Underwriters**—Drexel & Co., and Stroud & Co., both of Philadelphia, Pa. (jointly).

**Commerce Oil Refining Corp.**
Dec. 16, 1958 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price** — To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

**Commercial Investment Co.**
March 2, 1961 (letter of notification) 25,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For purchase of stock in a customer's showroom; payment on a note and for working capital. **Office**—1963 W. Burnside St., Portland, Ore. **Underwriter**—Shiels Securities Inc., Portland, Ore.

**Community Research & Development, Inc.**
Feb. 27, 1961 filed 620,445 shares of common stock to be offered for subscription by holders of its common stock and 6% convertible debentures due Jan. 1, 1972 on the basis of one new share for each two common shares held, and 105 shares for each $1,000 of debentures held. **Price** —To be supplied by amendment. **Business**—The development, ownership and management of income producing real estate projects. **Proceeds** — For construction. **Office**—14 West Saratoga Street, Baltimore, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing). **Offering**—Expected in mid-April.

**Consolidated Activities, Inc.**
Feb. 28, 1961 filed $1,000,000 of 6½% convertible subordinated debentures, due April 30, 1976, to be offered by the company and 50,000 shares of common stock (par 50c) to be offered by a selling stockholder. **Price**—(Debenture) 101% of the principal amount. (Stock) $3.50 per share. **Business**—The issuer is principally engaged in the construction and operation of bowling alleys. **Proceeds**—To retire a mortgage and outstanding debentures, for construction of a new bowling alley, and for general corporate purposes. **Office**—26 West Northfield Road, Livingston, N. J. **Underwriter**—G. F. Nicholls & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

**● Copter Skyways, Inc. (4/3-7)**
Jan. 16, 1961 filed 15,000,000 shares of no par common stock. **Price**—3 cents per share. **Proceeds**—To acquire the equipment, real estate and other materials necessary to commence business. **Office**—Penn-Sheraton Hotel, Pittsburgh, Pa. **Underwriter**—C. A. Benson & Co., Inc., Pittsburgh, Pa.

**Cortez Life Insurance Co.**
Jan. 12, 1961 filed 500,000 shares of common stock. **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

**● Crowell-Collier Publishing Co.**
March 14, 1961 filed $12,000,000 of convertible subordinated debentures due 1981, to be offered for subscription by common stockholders on the basis of $100 of debentures for each 25 common shares held. **Price**—To be supplied by amendment. **Business**—A holding company whose subsidiaries publish books and operate radio and TV stations. **Proceeds**—To repay loans. **Office**—640 Fifth Ave., New York City. **Underwriter** — Carl M. Loeb, Rhoades & Co., New York City (managing). **Offering**—Expected in late April.

**Custom Components, Inc. (4/3-7)**
Jan. 24, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company designs, develops and produces high quality components for microwave and electronic systems. **Proceeds** — For expansion, acquisitions and working capital. **Office**—Passaic Ave., Caldwell, N. J. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., New York, N. Y. (managing); Bioren & Co. and Wm. Stix Wasserman & Co., Inc., New York City, Chace, Whiteside & Winslow, Inc., and Draper, Sears & Co., Boston, Mass.

**● Customline Control Panels, Inc. (4/10-14)**
Feb. 21, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Manufacturers of control panels for centralized control of chemical and industrial processes. **Proceeds**—For a training program for additional engineering personnel; additional capital equipment; payment of a bank loan; opening of a Los Angeles sales and engineering office; research and development and working capital. **Office**—1379 E. Linden Avenue, Linden, N. J. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

**★ Daffin Corp.**
March 21, 1961 filed 150,000 outstanding shares of common stock (no par), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of specialized agricultural machinery. **Proceeds**—For the selling stockholders. **Office**—121 Washington Ave., South, Hopkins, Minn. **Underwriters** — Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing).

**Dalto Corp.**
March 29 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City. **Offering**—Indefinitely postponed.

**★ Decitron Electronics Corp.**
March 16, 1961 filed 50,000 shares of common stock (par one cent), of which 30,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price** — $2 per share. **Business** — The design, manufacture and sale of electronic equipment for the U. S. Government. **Proceeds** — For research and development and for working capital. **Office**—850 Seventh Ave., New York City. **Underwriter**—M. L. Lee & Co., New York City.

**★ Deere (John) Credit Co. (4/5)**
March 20, 1961 filed $25,000,000 of debentures, series B, due April 15, 1981. **Price**—To be supplied by amendment. **Business** — The purchase of retail installment paper from subsidiaries of Deere & Co., a farm equipment manufacturer. **Proceeds** — For general corporate purposes. **Office**—1325 Third Avenue, Moline, Ill. **Underwriter**—Harriman Ripley & Co., Inc., New York City.

**● Dekcraft Corp. (4/3-7)**
Feb. 15, 1961 filed 92,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The company, formerly Supreme Ribbon Corp., manufactures, converts and packages gift wrappings. **Proceeds**—For the repayment of bank loans and for woking capital. **Office**—15 Burke Lane, Syosset, New York. **Underwriter**—Carter, Berlind, Potoma & Weill, New York City.

**Delanco Electric Machine Co., Inc.**
Jan. 17, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company operates three retail stores selling sewing machines and electrical appliances. **Proceeds**—For expansion and general corporate purposes. **Office** —111 Delancey Street, New York, N. Y. **Underwriter**—Michael Pariser Corp., New York, N. Y.

**Delta Design, Inc.**
Sept. 28, 1960 filed 100,000 shares of capital stock. **Price** —$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

**Detroit Tractor, Ltd.**
May 26, 1960 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

**● Dixie Natural Gas Corp. (4/24)**
Dec. 5, 1960 (letter of notification) 75,000 shares of common stock (par 2 cents). **Price**—$4 per share. **Business**—Develops oil and gas leases in West Virginia. **Proceeds** — For general business purposes. **Office** — 115 Broadway, New York 6, N. Y. **Underwriter**—Vestal Securities Corp., New York City.

**● Dodge Wire Corp. (5/1)**
Dec. 7, 1960, filed 100,000 shares of common stock. **Price** —$6 per share. **Business**—The manufacture of woven aluminum screen cloth. **Proceeds**—The repayment of indebtedness and general corporate purposes. **Office**—Industrial Blvd., Covington, Ga. **Underwriter**—Plymouth Securities Corp., New York City.

**Dolomite Glass Fibres, Inc.**
Dec. 27, 1960 filed 200,000 shares of 7% preferred stock (cumulative - convertible); 200,000 class A common shares (voting) and 1,000,000 common shares (non-voting). **Price**—$10 per share for the preferred and $1 per share for the class A and common shares. **Business**—The manufacture and sale of glass fibre for insulation and glass fibre threads, mats and rovings for use in the production of reinforced plastics. **Proceeds**—For working capital and the purchase of additional equipment. **Office** —1037 Jay St., Rochester, N. Y. **Underwriter**—None.

**● Duke Power Co. (4/24)**
March 14, 1961 filed 368,000 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 30 shares held of record April 24. **Price**—To be supplied by amendment. **Proceeds**—To repay short-term loans. **Offices**—Charlotte 1, N. C.; Flemington, N. J., and 30 Rockefeller Plaza, New York City. **Underwriter**—None.

**Dynamic Instrument Corp. (3/27-31)**
Jan. 27, 1961 filed 150,000 shares of common stock (full registration). **Price**—$2 per share. **Business**—The company is engaged in the design, manufacture and sale of electro-magnetic clutches and brakes and in the machinery of precision instrument components on a sub-contract basis. **Proceeds**—To repay loans, complete and develop new products and for working capital. **Office**—59 New York Ave., Westbury, L. I., N. Y. **Underwriters** —T. W. Lewis & Co., Inc., and Amos Treat & Co., Inc., both of New York City and Bruno-Lenchner, Inc., Pittsburgh.

**Dynatronics, Inc. (4/3-7)**
Feb. 3, 1961 filed 120,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company is engaged in the design, manufacture and sale of electronic equipment and systems, including antenna, digital and timing systems. **Proceeds**—For repayment of bank loans, new equipment and working capital. **Address**—P. O. Box 2566, Orlando, Fla. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C.

**Eastern Camera Exchange, Inc.**
Dec. 29, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Operating a chain of retail stores and concessions selling cameras, film and photographic supplies and equipment; also processes and prints black and white photographic film. **Proceeds**—To reduce indebtedness incurred by acquisitions, to pay notes due, and for general corporate purposes. **Office**—68 W. Columbia Street, Hempstead, N. Y. **Underwriter**—Casper Rogers & Co., Inc., New York, N. Y.

**★ Economy Book Co. (4/24-28)**
March 15, 1961 filed 150,000 shares of common stock (par 10 cents) of which 75,000 shares are to be offered for public sale by the company and 75,000 outstanding shares, by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are engaged principally in the binding of children's hard cover books. **Proceeds**—For new equipment, moving expenses and working capital. **Office**—511 Joyce Street, Orange, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing).

**● Electro Consolidated Corp. (4/3-7)**
Jan. 27, 1961 filed 100,000 shares of common stock, of which 50,000 are to be offered for public sale by the issuing company and 50,000 shares, being outstanding stock, by the present holders thereof. **Price** — $6 per share. **Business**—The company and its subsidiaries are engaged in the design, manufacture, distribution and sale of fluorescent and incandescent lighting fixtures for commercial and industrial use, and the manufacture and sale of household appliances including broilers and food-slicers. **Proceeds**—For the repayment of bank loans, new equipment, and working capital. **Office** — Spruce and Water Streets, Reading, Pa. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

**Electro Industries, Inc.**
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds** — To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

**Electro-Nuclear Metals, Inc.**
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

**★ Electronic Assistance Corp. (4/24-28)**
March 17, 1961 filed 110,000 shares of common stock (par 10 cents) of which 60,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The design, engineering, manufacture and sale of radar altimeters, communications devices and test equipment. **Proceeds**—For investment in a new subsidiary and for expansion of present facilities. **Office**—20 Bridge Avenue, Red Bank, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing).

**Elion Instruments, Inc. (4/3-7)**
Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. **Price**—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. **Business**—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. **Proceeds**—To selling stockholders, who are two company officers who will lend the net proceeds to the company. **Office**—430 Buckley St., Bristol, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa.

**Emmer Glass Corp.**
March 8, 1961 filed 190,000 shares of class A common stock, of which 160,000 shares are to be offered for public sale by the company and 30,000 outstanding shares by the present holder thereof. **Price**—$4 per share. **Business**—The sale of glass, metal, fiber and plastic containers; and housewares and garden accessories. **Proceeds**—For the repayment of debt and general corporate purposes. **Office**—6250 N. W. 25th Ave., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston, Mass. (managing).

**Endevco Corp. (4/25)**
March 1, 1961 filed 125,000 shares of no par common stock. **Price**—To be supplied by amendment. **Business**—The design, manufacture and sale of piezoelectric transducers and associated electronic equipment. **Proceeds**—For equipment and working capital. **Office**—161 East California Blvd., Pasadena, Calif. **Underwriter**—White, Weld & Co., New York City (managing).

**★ Equitable Standard Life Insurance Co.**
March 10, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds** — For the operation of a life insurance company. **Office**—1805 E. Missouri Ave., Phoenix, Ariz. **Underwriter**—None.

**● Fabien Corp.**
Feb. 27, 1961 filed 60,000 shares of outstanding common stock. **Price**—$6.75 per share. **Business**—The company, formerly Fabien Textile Printing Corp., is engaged in the printing of colored designs on various types of

materials. **Proceeds** — To selling stockholders. **Office**—Lodi, N. J. **Underwriter**—Goodbody & Co., New York City (managing). **Offering**—Expected in late April.

**• Falls Plaza Limited Partnership (3/27-31)**
Dec. 5, 1960 filed 480 units of limited partnership interests. **Price**—$1,000 per unit. **Business**—The building and operation of a shopping center on Broad Street in Falls Church, Va. **Proceeds**—For the purchase of land and the erection of a shopping center. **Office** — 1823 Jefferson Place, N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., and Investor Service Securities Inc., both of Washington, D. C.

**Faradyne Electronics Corp.**
Jan. 30, 1961 filed $1,500,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—To be named.

**Federal Shell Homes, Inc.**
Feb. 23, 1961 filed 675,000 shares of common stock; $1,350,000 of 9% convertible subordinated debentures (par $10); and 135,000 1964 warrants to be offered for public sale in 135,000 units, each unit to consist of five common shares, one debenture and one warrant. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—225 West Carolina St., Tallahassee, Fla. **Underwriter** — Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla. (managing).

**★ Filtors, Inc.**
March 16, 1961 filed 271,000 shares of common stock, of which 122,000 shares are to be offered for public sale by the company and 149,000 outstanding shares, by the present holders thereof. **Price**—$7 per share. **Business**—The design, manufacture and sale of subminiature and microminiature hermetically sealed relays. **Proceeds**—For general corporate purposes. **Office**—30 Sagamore Hill Drive, Port Washington, N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing).

**Filtra-Sonic Corp.**
Feb. 27, 1961 (letter of notification) 51,250 shares of common stock (par 50 cents). **Price**—$4 per share. **Office**—120 W. Providencia, Burbank, Calif. **Underwriter** — Gregory-Massari, Inc., Beverly Hills, Calif.

**First American Investment Corp.**
Oct. 14, 1960 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Business**—Insurance. **Proceeds**—To acquire control of Western Heritage Life Insurance Co. of Phoenix, and to organize subsidiaries. **Office**—2222 N 16th St., Phoenix, Ariz. **Underwriter**—None.

**First Small Business Investment Company of Tampa, Inc.**
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

**• Flintkote Co. (4/6)**
March 9, 1961 filed $35,000,000 of sinking fund debentures, due April 1, 1981. **Price** — To be supplied by amendment. **Business**—The manufacture, mining, distribution and sale of various products for construction, industrial and consumer uses. **Proceeds**—For general corporate purposes. **Office**—30 Rockefeller Plaza, New York 20, N. Y. **Underwriter** — Lehman Brothers, New York City (managing).

**Florida Guaranty Title & Trust Co.**
Nov. 29, 1960 (letter of notification) 83,125 shares of common stock (par 50 cents). **Price**—$3.60 per share. **Proceeds** — To pay a second mortgage instalment, for advertising, and for working capital. **Office**—1090 N. E. 79th St., Miami, Fla. **Underwriter**—Floyd D. Cerf Jr. Co., Inc., Chicago, Ill.

**★ Frontier Airlines, Inc.**
March 16, 1961 filed 250,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The transportation by air of passengers, property and mail between 66 cities in 11 states. **Proceeds**—For the selling stockholders. **Office** — 5900 E. 39th Ave., Denver, Colo. **Underwriter**—To be named.

**Fulton Industries, Inc.**
Feb. 21, 1961 filed 233,955 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business**—Produces textiles, automotive parts, metal eastings, cotton ginning equipment and pre-engineered steel buildings. **Proceeds**—To selling stockholders. **Office**—Atlanta, Ga. **Underwriters** — Robinson-Humphrey Co., Inc., Atlanta, Ga., and Walston & Co., Inc., New York City (managing).

**G-W Ameritronics, Inc.**
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

**★ Gateway Sporting Goods Co.**
March 20, 1961 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The retail sale of sporting goods, photographic equipment, toys, luggage and other recreational items. **Proceeds**—For expansion. **Office**—1321 Main St., Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City, Mo.

**General Economics Corp.**
March 8, 1961 filed 130,000 shares of common stock. **Price**—$5 per share. **Business**—The company is active in the over-the-counter market as both broker and principal, sells mutual fund securities and life insurance, and finances the payment of life insurance premiums. **Proceeds**—For additional working capital. **Office**—130 W. 42nd St., New York City. **Underwriter**—None.

**• General Telephone Co. of California**
March 15, 1961 filed 500,000 shares of 5% cumulative preferred stock. **Price**—To be supplied by amendment. **Proceeds**—To increase and improve facilities and to reduce indebtedness incurred for these purposes. **Office**—2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—Paine, Webber, Jackson & Curtis, Boston, Mass., and Mitchum, Jones & Templeton, Los Angeles, Calif. **Offering**—Expected in April.

**Geriatric Pharmaceutical Corp. (4/4)**
Feb. 28, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The distribution and sale of geriatric pharmaceuticals. **Proceeds**—For general corporate purposes. **Office**—45 Commonwealth Boulevard, Bellerose, N. Y. **Underwriter**—T. M. Kirsch Co., New York, N. Y.

**• Giannini Securities Corp.**
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price** — $10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds** — For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwriter**—Kidder, Peabody & Co., Inc., New York, N. Y. **Offering**—Expected sometime in April.

**Grayco Credit Corp.**
Jan. 16, 1961 (letter of notification) $150,000 of 10-year 7% sinking fund debentures and 75.000 shares of common stock (par $1) to be offered in units consisting of 50 shares of common and $100 of debentures. **Price**—$200 per unit. **Proceeds** — For working capital. **Office** — 1012 Market St., Johnson City, Tenn. **Underwriter**—Branum Investment Co., Inc., Nashville. Tenn.

**Great Lakes Bowling Corp.**
Feb. 24, 1961 filed $1,250,000 of 6% convertible subordinated debentures, due 1976. **Price**—$1,000 per debenture. **Business**—The operation of bowling centers with adjoining refreshment facilities in Michigan. **Proceeds**—For construction and working capital. **Office** — 6366 Woodward Ave., Detroit, Mich. **Underwriter**—None.

**★ Great Southern Financial Corp.**
March 15, 1961 filed 500,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The company plans to engage in the insurance and finance business. **Proceeds** — To organize subsidiaries. **Office**—First National Bank Bldg., Gadsden, Ala. **Underwriter**—None.

**• Greenfield Real Estate Investment Trust (3/28)**
Dec. 21, 1960, filed 500,000 shares of beneficial interest. **Price**—To be supplied by amendment. **Business** — The company was organized on Dec. 20, 1960 to provide investors with an interest in diversified income-producing properties consisting principally of real estate interests. **Proceeds**—For investment. **Office** — Bankers Securities Bldg., Philadelphia, Pa. **Underwriter** — Drexel & Co., Philadelphia (managing).

**★ Grolier Inc. (4/20)**
March 17, 1961 filed 120,000 shares of common stock (par $1), of which 60,000 shares are to be offered for public sale by the company and 60,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The publication and sale of encyclopedias, reference works, juvenile books and the retail distribution of teaching machines and related programs. **Proceeds**—For working capital. **Office**—575 Lexington Ave., New York City. **Underwriter**—Dominick & Dominick, New York City.

**Guaranty National Insurance Co.**
Feb. 27, 1961 (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—For investment and the operation of the company. **Office**—916 Broadway, Denver, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

**★ Haloid Xerox Inc. (4/20-5/8)**
March 17, 1961 filed $15,093,600 of convertible subordinated debentures, due 1981, to be offered for subscription by common stockholders on the basis of $100 of debentures for each 25 shares held of record April 20, with rights to expire May 8. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of products for xerographic and photocopy reproduction, and for photographic use. **Proceeds**—To redeem all outstanding 5¼% preferred stock, repay bank loans and for working capital. **Office**—2 Haloid St., Rochester, N. Y. **Underwriter**—First Boston Corp., New York City (managing).

**• Hawaiian Electric Co. Ltd. (4/12)**
March 9, 1961 filed $12,000,000 of first mortgage bonds, series L, due April 1, 1991. **Proceeds**—For the repayment of a bank loan and for construction. **Office**—900 Richards St., Honolulu, Hawaii. **Underwriters** — Dillon, Read & Co., Inc., New York City and Dean Witter & Co., San Francisco.

**★ Heath (D. C.) & Co.**
March 17, 1961 filed 240,000 shares of common stock (par $5), of which 50,000 shares are to be offered for public sale by the company and 190,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The publishing of textbooks and related materials for students. **Proceeds**—For working capital. **Office**—285 Columbus Avenue, Boston, Mass. **Underwriter**—Kidder, Peabody & Co., New York City (managing). **Offering**—Expected some time in May.

**Hickory Industries, Inc.**
March 9, 1961 (letter of notification) 25,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of barbecue machines and allied equipment. **Proceeds** — For general corporate purposes. **Office**—10-20 47th Road, Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y.

**• Home Lab Supply, Inc. (4/3)**
See Physio-Chem Corp., below.

**• Honey Dew Food Stores, Inc.**
Jan. 27, 1961 (letter of notification) 116,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The company operates a chain of 10 supermarkets. **Proceeds**—For general corporate purposes. **Office** — 811 Grange Road, Teaneck, N. J. **Underwriter** — Capital Investment Co., Newark, N. J., states they will no longer be underwriters for this issue.

**Howard Johnson Co.**
March 13, 1961 filed 660,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries operate and supply a large restaurant chain. **Proceeds**—For the selling stockholders. **Office**—89 Beale St., Wollaston, Mass. **Underwriters**—Blyth & Co., Inc., New York City and F. S. Moseley & Co., Boston, Mass. **Offering**—Expected in late April.

**• Hurletron, Inc.**
March 15, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Manufactures timing devices, and web control systems for printers. **Proceeds**—For the repayment of debt and for working capital. **Office**—135 So. La Salle St., Chicago, Ill. **Underwriter**—F. S. Moseley & Co., Boston, Mass.

**Hydroswift Corp.**
Oct. 20, 1960 filed 70,000 shares of common stock. **Price**—$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office** — 1750 South 8th St., Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

**I C Inc.**
June 29, 1960 filed 600,000 shares of com. stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Building, Denver, Colo. **Underwriters**—Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

**• Income Planning Corp. (3/27-31)**
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J.

**Independent Telephone Corp.**
March 8, 1961 filed 350,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—A holding company with 11 subsidiaries in New York, Michigan, New Jersey and West Virginia. **Proceeds**—To repay bank loans, for advances to subsidiaries and for general corporate purposes. **Office**—25 South St., Dryden, N. Y. **Underwriter** — Burnham & Co., New York City (managing). **Offering**—Expected in late April.

**• Industrial Control Products, Inc.**
March 10, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The engineering, designing and precision machining of electronic components. **Proceeds** — For research and development, inventory, equipment, start-up costs of semi-conductor production, and for working capital. **Office**—78 Clinton Rd., Caldwell Township, N. J. **Underwriter** — Edward Hindley & Co., New York City. **Offering**—Expected in late April to early May.

**Industrial Instrument Corp.**
Feb. 27, 1961 filed 60,000 shares of 6% second series cumulative convertible preferred stock (par $10) to be offered for subscription by the holders of its outstanding common and first series preferred stock on the basis of one new share of preferred for each eight shares of common and one new share for each share of preferred held. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of instruments used to measure and control the flow, level, pressure and temperature of liquids and gases. **Proceeds**—To repay loans, buy new equipment and for working capital. **Office**—8400 Research Road, Austin, Texas. **Underwriter**—None.

**Inter-Mountain Telephone Co. (3/31)**
Feb. 23, 1961 filed 465,000 shares of common stock to be offered for subscription by stockholders on the basis of one new share for each three shares held of record March 17. **Price**—To be supplied by amendment. **Proceeds** — For the repayment of loans. **Office**—Bristol, Tenn. **Underwriter**—Courts & Co., Atlanta, Ga. and New York City (managing).

**International Life Insurance Co. of Buffalo**
Feb. 21, 1961 filed 350,000 shares of capital stock. **Price**—$5 per share. **Business**—The company was organized under New York law in March 1960 and is licensed to conduct an insurance business in that state, but has not

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commenced operations as of the filing date. **Proceeds**—For the general conduct of business and the setting up of reserves against policies as written. **Office**—310 Delaware Ave., Buffalo, N. Y. **Underwriter**—None.

**International Mosaic Corp.**
Sept. 30, 1960 (letter of notification) 99,333 shares of common stock (par 10 cents). **Price**—$3 per share. **Business** — Manufacture of glass mosaics by machines and processes. **Proceeds** — For general corporate purposes. **Office**—45 East 20th St., New York 3, N. Y. **Underwriter**—B. G. Harris & Co., Inc., New York, N. Y.

**International Photocopy Corp.**
Feb. 28, 1961 (letter of notification) 100,000 shares of common stock. **Price** — $3 per share. **Business** — Manufacturer and distributor of office photocopying equipment, chemicals and paper. **Proceeds**—For expansion and working capital. **Office** — 564 W. Randolph St., Chicago, Ill. **Underwriter** — J. J. Krieger & Co., New York City.

**International Safflower Corp.**
Aug. 3, 1960 filed 60,000 shares of class A common stock (par $2). **Price**—$5 per share. **Proceeds**—To retire outstanding loans, buy seed, buy or lease land, building, and machinery, and for working capital. **Office**—350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

★ **Interstate Power Co. (5/18-6/2)**
March 16, 1961 filed 223,833 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 16 shares held of record May 18, with rights to expire June 2. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for construction. **Offices**—1000 Main Street, Dubuque, Iowa, and 111 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Salomon Bros. & Hutzler; Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co. **Bids**—To be received on May 18 at 11 a.m. (EST).

★ **Interstate Power Co. (5/18)**
March 16, 1961 filed $9,000,000 of first mortgage bonds, due 1991. **Proceeds**—To repay bank loans and for construction. **Office**—1000 Main St., Dubuque, Iowa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Salomon Bros. & Hutzler. **Bids**—To be received on May 18 up to 11 a.m. (EST) at the office of The Chase Manhattan Bank, One Chase Plaza, New York 5, N. Y., 23rd floor. **Information Meeting**—Scheduled for May 8, at 3 p.m. (EST) at the office of The Chase Manhattan Bank, 28th floor.

**Invesco Collateral Corp.**
March 6, 1961 filed $900,000 of 6% registered subordinated debentures to be offered in three series of $300,000 each, due June 30, 1965, 1966 and 1967, respectively. **Price**—$4,315; $4,190 and $4,079 per $5,000 of debentures. **Business**—The company, a wholly-owned subsidiary of Investors Funding Corp. of New York was organized under New York law in June, 1960, to purchase, invest in and sell real estate mortgages. **Proceeds**—For investment. **Office**—511 Fifth Avenue, New York City. **Underwriter**—None.

● **Irvington Steel & Iron Works (4/10-14)**
Feb. 13, 1961 (letter of notification) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Business** — Fabricators of structural steel. **Proceeds** — For general corporate purposes. **Office** — Somerset Street, New Brunswick, N. J. **Underwriter**—L. L. Fane & Co., Inc., Plainfield, N. J.

**Jefferson Counsel Corp.**
March 13, 1961 filed 30,000 shares of class B common stock (non-voting). **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 to sponsor the organization of the Jefferson Growth Fund, Inc., a new open-end diversified investment company of the management type. **Proceeds**—For organizational and operating expenses. **Office**—52 Wall St., New York City. **Underwriter**—None.

● **Jefferson Lake Asbestos Corp. (3/24)**
Jan. 9, 1961 filed $2,625,000 of 6½% series A subordinated sinking fund debentures due 1972 (with series A warrants to purchase 262,500 common shares), and 175,000 shares of common stock to be offered for public sale in units consisting of four common shares and a $60 debenture (with a warrant to purchase six common shares initially at $J per share). **Price**—$80 per unit. **Business**—The production and sale of asbestos. **Proceeds**—For construction and working capital. **Office**—1408 Whitney Building, New Orleans, La. **Underwriter** — A. G. Edwards & Sons, St. Louis, Mo. (managing).

**Jensen Industries (3/29)**
Feb. 9, 1961 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—For expansion. **Office**—165 So. Mission Rd., Los Angeles, Calif. **Underwriters**—Maltz, Greenwald & Co., New York City and Thomas Jay, Winston & Co., Los Angeles, Calif.

**Jet-Aero Corp.**
Feb. 10, 1961 (letter of notification) 62,500 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To purchase new machinery and equipment, increase inventory, research and development and working capital. **Office**—950 S. E. 8th St., Hialeah, Fla. **Underwriter**—Netherlands Securities Co., Inc., New York, N. Y.

● **Jodmar Industries, Inc. (4/24-28)**
Feb. 24, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Design, lay-out, installation and maintenance of industrial heating and air-conditioning systems. **Proceeds**—For the purchase of inventory for current business; purchase of machinery, equipment and inventory for proposed manufacturing business; sales promotion and reserves. **Office**—8801-11 Farragut Road, Brooklyn 36, N. Y. **Underwriter**—Fontana Securities, Inc., 82 Beaver Street, New York, N. Y.

**Jungle Juice Corp.**
Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—For working capital and expansion. **Address**—Seattle, Wash. **Underwriters**—Planned Investing Corp., New York, N. Y. and Fidelity Investors Service, East Meadow, N. Y.

● **Kavanau Corp.**
Sept. 30, 1960 filed 250,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—A real estate investment company. **Proceeds**—For acquisition of properties, working capital and general corporate purposes. **Office**—415 Lexington Ave., New York, N. Y. **Underwriter**—Ira Investors Corp., New York, N. Y. **Offering**—Expected in early to mid April.

● **Kings Electronics Co., Inc. (4/3-7)**
Jan. 27, 1961 filed 295,187 shares of common stock, of which 250,000 are to be offered for public sale by the company and 45,187 shares, being outstanding stock, by the present holders thereof. **Price**—$4 per share for the new stock. The outstanding shares will be offered at the prevailing market price on the over-the-counter market or on any securities exchange upon which they may be listed at any time after 60 days from the date of the company's offering. **Business**—The company is engaged principally in the design, development and manufacture of radio frequency connectors. **Proceeds**—For expansion, the repayment of loans and for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York City (managing).

**Knapp & Tubbs, Inc.**
Feb. 13, 1961 filed 150,000 outstanding shares of common stock. **Price**—$4 per share. **Business**—The selling at wholesale of home furniture, interior decorative furnishings and are objects. **Proceeds**—To the selling shareholders. **Office**—Merchandise Mart, Chicago, Ill. **Underwriter**—Roman & Johnson, Fort Lauderdale, Fla. (managing).

**Knickerbocker Biologicals, Inc.**
Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. **Price**—$6 per share. **Business**—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. **Proceeds**—For the selling stockholders. **Office**—300 West 43rd Street, New York City. **Underwriter**—None.

**Kreisler (Charles), Inc. (4/17)**
Feb. 27, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Business**—Sale and rental of automobiles. **Proceeds**—Acquisition of cars for rental purposes; acquisition of additional salesroom; advertising and sales promotion and for working capital. **Office**—241 Park Avenue, New York, N. Y. **Underwriter**—Albion Securities Co., Inc., New York, N. Y.

**LP Gas Savings Stamp Co., Inc.**
Sept. 27, 1960 (letter of notification) 30,000 shares of common stock **Price**—At par ($10 per share). **Proceeds**—For purchase of creative design and printing of catalogs, stamp booklets, advertising and for working capital. **Office**—300 W. 61st St., Shreveport, La. **Underwriter**—International Sales & Investment, Inc., 4501 North Blvd., Baton Rouge, La.

**Lake Aircraft Corp.**
Feb. 14, 1961 (letter of notification) $300,000 of 6½% convertible subordinated debentures, series A, due March 1, 1981. **Price**—At face value. **Proceeds**—To reduce short-term loans and for working capital. **Address**—Sanford, Maine. **Underwriter**—Mann & Creesy, 70 Washington St., Salem, Mass.

**Lake Arrowhead Development Co. (3/27-31)**
Jan. 10, 1961 filed 300,000 shares of common stock. **Price**—$10 per share. **Business** — Managing and developing the Arrowhead property, which is located in the San Bernadino Mountains. **Proceeds**—To reduce indebtedness, with the balance for general corporate purposes, including working capital. **Office** — Lake Arrowhead, Calif. **Underwriters** — Van Alstyne, Noel & Co., New York City (managing) and Sutro & Co., San Francisco.

**Landmark Corp.**
Jan. 27, 1961 filed 30,000 shares of $5 par common stock. **Price**—$10 per share. **Proceeds**—For construction, cost of land, office equipment, and working capital. **Office**—212 W. Jefferson St., Fort Wayne, Ind. **Underwriter**—First Security Corp., Fort Wayne, Ind.

**"Lapidoth" Israel Oil Prospectors Corp. Ltd.**
Oct. 27, 1960 filed 1,500,000 ordinary shares. **Price**—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. **Business**—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. **Proceeds**—For exploration and development of oil lands. **Office**—22 Rothschild Blvd., Tel-Aviv, Israel. **Underwriter**—None.

**Leeds Homes, Inc.**
March 9, 1961 filed $1,000,000 of 6% subordinated sinking fund debentures, due 1976 and 300,000 shares of common stock to be offered for public sale in units consisting of $10 principal amount of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—Company, formerly Aluminum Siding & Supply Corp., is a holding company whose subsidiaries are engaged in the sale, construction and financing of shell homes. **Proceeds**—For construction, working capital, and investment in mortgages on shell homes. **Office**—2501 Ailor Ave., Knoxville, Tenn. **Underwriter**—J. C. Bradford & Co., Nashville.

**Le-Wood Homes, Inc.**
Jan. 19, 1961 (letter of notification) 100,000 shares of common stock (par 50 cents) and $100,000 of 9% convertible debentures due March 1, 1971 to be offered in units of 100 shares of common stock and 1-$100 of debentures. **Price**—Of stock, $2 per share; of debentures, $300 per unit. **Proceeds**—For working capital. **Office**—7001 W. Broad St., Richmond, Va. **Underwriter**—Bellamah, Neuhauser & Barrett, Washington, D. C.

● **Lockwood Grader Corp.**
Feb. 2, 1961 filed $500,000 of 6% sinking fund debentures, series A (with warrants for the purchase of 15,000 shares of class A common stock), and 30,000 shares of class A common stock. **Price**—To be filed by amendment. **Business**—The manufacture and sale of field agricultural machinery and grading, sorting and handling machinery, primarily for use in the potato industry. **Proceeds**—For working capital. **Office**—Gering, Nebr. **Underwriter**—First Trust Co. of Lincoln, Neb.

★ **Mack Trucks, Inc. (4/18)**
March 17, 1961 filed $20,000,000 of subordinated debentures, due 1981 with attached warrants to buy common stock. **Price**—To be filed by amendment. **Business**—The manufacture of heavy duty trucks. **Proceeds**—To refund $13,198,000 of outstanding 5¼% subordinated debentures, due 1968; for the repayment of bank loans; for construction of a new plant at Hagerstown, Md.; and for working capital. **Offices**—350 Fifth Ave., New York City and 1000 South Second St., Plainview, N. J. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

● **Majestic Specialties, Inc. (4/24-28)**
March 7, 1961 filed 140,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The firm is chiefly engaged in making and selling ladies' sportswear coordinates. **Office** — 340 Claremont Ave., Jersey City, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing).

● **Mansfield Industries Inc. (3/27-31)**
Jan. 31, 1961 filed 150,000 shares of common stock of which 50,000 shares will be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture of motion picture projectors and related equipment. **Proceeds** — For general corporate purposes, including working capital. **Office**—1227 West Loyola Ave., Chicago, Ill. **Underwriter**—McDonnell & Co., Inc., New York City (managing).

**Marcon Electronics Corp. (4/3-7)**
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par $1). **Price** — $10 per share. **Business** — Manufacture of electrical and electronic equipment. **Proceeds**—For purchase of equipment and tooling, research and development and working capital. **Office**—199 Devon Terrace, Kearny, N. J. **Underwriter**—Meade & Co., New York, N. Y.

**Marine Capital Corp. (4/3-7)**
Feb. 16, 1961 filed 667,000 shares of common stock. **Price**—$15 per share. **Business**—The company is a closed-end, non-diversified management investment company organized under the Small Business Investment Act of 1958, and a wholly-owned subsidiary of Marine Corp., a bank holding company. **Proceeds**—For investment. **Office**—622 North Water St., Milwaukee, Wis. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

**Marine & Electronics Manufacturing Inc.**
Sept. 22, 1960 (letter of notification) 100,000 shares of common stock class A (par 10 cents). **Price**—$3 per share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address**—Hagerstown, Md. **Underwriter**—Batten & Co., Washington, D. C.

**Marine Structures Corp.**
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant, Fontaine & Co., Oakland, Calif.

**Matthews Corp.**
Feb. 28, 1961 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To retire bank loans; purchase new equipment and for working caiptal. **Office**—12923 Cerise Street, Hawthorne, Calif. **Underwriters**—Holton, Henderson & Co., Los Angeles, Calif., and Sellgren, Miller & Co., San Francisco, Calif.

● **Max Factor & Co. (4/11)**
March 6, 1961 filed 400,000 shares of class A stock, of which 200,000 are to be offered for public sale by the company and 200,000 shares, being outstanding stock, by the present holders thereof. **Price**—To be related to the current market price of the stock on the American Stock Exchange immediately prior to the offering. **Business**—The development, manufacture and sale of a general line of cosmetics. **Proceeds**—For construction, expansion, additional plant equipment and for working capital. **Office**—1655 North McCadden Place, Hollywood, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

**Mead Corp. (4/18)**
March 8, 1961 filed $25,000,000 of debentures, due April 15, 1986. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of paper and paperboard products. **Proceeds**—To retire short-term loans and for

capital improvements. **Office**—118 West First St., Dayton, O. **Underwriters**—Drexel & Co., Philadelphia and Harriman Ripley & Co., New York City.

**Mercury Electronics Corp.**
Dec. 30, 1960 (letter of notification) 100,000 shares of common stock (par five cents). **Price** — $3 per share. **Business**—Manufacturers of testing equipment. **Proceeds**—For general corporate purposes. **Address**—Mineola, L. I., N. Y. **Underwriter**—S. Schramm & Co. Inc., New York City. **Offering**—Imminent.

**Mesabi Iron Co.**
Jan. 10, 1961 filed 180,000 shares of capital stock, to be offered for subscription by the company's stockholders. **Price**—To be supplied by amendment. **Proceeds**—To establish a reserve for 1960 tax payments. **Office** — 452 Fifth Ave., New York City. **Underwriter**—None. **Note**—Feb. 1 it was reported that the company is awaiting a tax ruling, subsequent to which a decision will be made as to whether or not the offering will be made.

**• Metropolitan Securities, Inc.**
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). **Price**—$3 per share. **Proceeds** — For working capital. **Office** — 919-18th St., N. W., Washington, D. C. **Underwriter** — Metropolitan Brokers, Inc., Washington, D. C.

**Michigan Gas Utilities Co. (4/10-14)**
Feb. 23, 1961 filed 100,000 shares of common stock (par $2.50). **Price**—To be supplied by amendment. **Business**—The distribution of natural gas to some 50 localities in southern and western Michigan having a total population of about 287,500. **Proceeds**—The net proceeds, together with the private sale of $3,500,000 of first mortgage bonds, will be used to repay short-term bank loans incurred for construction, and other corporate purposes. **Office**—6 South Monroe St., Monroe, Mich. **Underwriter**—Kidder, Peabody & Co. Inc., New York City (managing).

**• Microtron Industries, Inc.**
March 1, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds** — For purchase of equipment; inventory of parts; working capital; and research and development. **Office** — 120 S. Fairfax, Denver, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

**Midwestern Acceptance Corp.**
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds** — To start its lending activities. **Address** — P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

**Milliken (D. B.) Co.**
March 15, 1961 filed $240,000 of 6% subordinated sinking fund debentures, due 1971, with stock purchase warrants attached, together with 75,000 shares of capital stock. **Prices**—The debentures will be sold at par, with a 7½% underwriter's commission; the stock will be sold at $3 per share. **Proceeds**—For debt reduction and working capital. **Office**—131 North Fifth Ave., Arcadia, Calif. **Underwriter**—Lester, Ryons & Co., Los Angeles, Calif.

**• Minitone Electronics, Inc.**
Jan. 11, 1961 filed 185,000 shares of common stock for public offering. **Price**—$3 per share. **Business**—The firm was organized last March for the purpose of making and selling small DC motors and certain consumer products using such motors. **Proceeds**—For debt reduction and general corporate purposes, including working capital. **Office**—104 E. 25th St., New York City. **Underwriter**—None. **Offering**—Imminent.

**★ Minneapolis-Honeywell Regulator Co. (4/19)**
March 17, 1961 filed $25,000,000 sinking fund debentures, due 1986, andl 250,000 shares of convertible preference stock (par $100). **Price**—To be supplied by amendment. **Business**—Manufactures heating controls, automatic control systems, electronic data processing systems and a line of military products. **Proceeds** — For additional working capital. **Office**—2747 Fourth Ave., South, Minneapolis, Minn. **Underwriter** — Eastman Dillon, Union Securities & Co., New York City (managing).

**Mississippi River Transmission Corp. (3/28)**
Feb. 17, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, a subsidiary of Mississippi River Fuel Corp., is constructing a natural gas pipe line which will extend from Clay County, Ill., to St. Louis County, Mo., a distance of about 94 miles. **Proceeds**—For construction and working capital. **Office**—9900 Clayton Road, St Louis, Mo. **Underwriters**—Eastman Dillon, Union Securities & Co., New York City and Dempsey-Tegeler & Co., St. Louis, Mo. (managing).

**Mobile Credit Corp.**
Sept. 14, 1960 filed 25,874 shares of common stock and 1,000 shares of $100 par 6% cumulative convertible preferred stock. The stock will be offered for subscription by shareholders of record on the basis of two shares of new common for each three such shares held and one share of new preferred for each 38.81 common shares held, the record date in each case being Sept. 1, 1960. **Prices**—For common, $10 per share; for preferred, $100 per share. **Business**—The purchase of conditional sales contracts from dealers in property so sold, such as mobile homes, trailers, boats, and motorcycles. **Proceeds**—For working capital. **Office**—100 E. Michigan Ave., Jackson, Mich. **Underwriter**—None.

**• Model Finance Service, Inc.**
May 26 filed 100,000 shares of second cumulative preferred stock—65¢ convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill. **Note** — This statement was withdrawn March 17.

**• Mohawk Insurance Co. (3/31)**
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

**Mokan Small Business Investment Corp., Inc.**
Jan. 17, 1961 filed 3,000 shares of common stock. **Price**—$100 per share. **Business**—The company was organized under Kansas law in October 1960 and is applying to the Small Business Administration for a Federal license to operate as a small business investment company. **Proceeds**—For general corporate purposes. **Office** — 719 Walnut St., Coffeyville, Kan. **Underwriter**—None.

**Mortgage Guaranty Insurance Co.**
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State. **Offering**—Expected in May.

**Morton Foods, Inc.**
Feb. 17, 1961 filed 190,000 shares of common stock, of which 178,000 are to be offered for public sale by the company and 12,000 shares, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The company manufactures, processes, packages and sells many food items such as potato chips, salad dressing, pickels, honey, tea and spices. **Proceeds** — To build and equip two additional manufacturing plants and warehouses. **Office** — 6333 Denton Dr., Dallas, Tex. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas, Tex. (managing).

**• Municipal Investment Trust Fund, Series A (3/27-31)**
Sept. 1, 1960 filed $20,000,000 of interest in the Fund to be offered in 20,000 units. **Business**—The Fund will purchase tax-exempt securities of the United States, municipalities, counties and territories of the United States. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Note**—This statement was effective on Feb. 14.

**National Airlines, Inc.**
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of $100 of debentures for each 18 common shares held. **Price**—To be supplied by amendment. **Business**—Domestic and international transport of persons, property, and mail. **Proceeds**—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. **Office** — Miami International Airport, Miami, Fla. **Underwriter** — Lehman Brothers, New York City (managing). **Offering**—Indefinite.

**• National Bagasse Products Corp.**
March 14, 1961 filed 16,200 units, each unit consisting of $100 of 15-year 7% subordinated debentures, 30 shares of class A common and 10 warrants (to buy a like number of class A shares). **Price** — $163.85 per unit. **Business** — Manufactures composition board, hard board and insulating board from bagasse, a waste product of sugar refining. **Proceeds** — To build a new plant at Vacherie, La. **Office**—821 Gravier St., New Orleans, La. **Underwriters**—S. D. Fuller & Co., New York City, and Howard, Weil, Labouisse, Fredrichs & Co., New Orleans (managing). **Offering**—Expected in early May.

**National Bowl-O-Mat Corp. (4/10-14)**
Feb. 24, 1961 filed 220,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company was organized under New Jersey law on Jan. 10, 1961 for the purpose of owning and operating a national chain of bowling centers. **Proceeds** — For expansion, repayment of loans, working capital and other general corporate purposes. **Office** — 152 Market St., Paterson, N. J. **Underwriter**—Granbery, Marache & Co., New York City (managing).

**National Food Marketers, Inc. (3/27-31)**
Jan. 27, 1961 filed 100,000 shares of common stock. **Price** $4 per share. **Business**—The company is engaged in the processing and packaging of quick-frozen, prepared seafood meat and poultry for use by restaurants and institutions and frozen ready-to-heat meals for distribution through vending machines. **Proceeds** — To repay loans; purchase additional machinery; establish a food laboratory, and for advertising, promotion, and working capital. **Office**—Blue Anchor, N. J. **Underwriter**—Robert Edelstein Co., Inc., New York City.

**National Western Insurance & Growth Fund, Inc.**
Jan. 27, 1961 filed 111,000 shares of common stock, of which 11,000 will first be offered to not more than 25 persons and the remaining 100,000 will be offered for public sale. **Price** — $9.15 per share (for the 11,000 shares), and $10 per share (for the 100,000 shares). **Business**—The company was organized under Delaware law in August 1960 to invest in companies believed to have growth possibilities, especially in the life insurance field. **Proceeds**—For investment. **Office**—737 Grant St., Denver, Colo. **Distributor** — National Western Management Corp., Denver, Colo.

**• Nedick's Stores, Inc.**
Feb. 21, 1961 filed 185,000 shares of common stock (par 20 cents), of which 60,000 shares are to be offered for the account of the company and 125,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — For expansion and working capital. **Office**—513 West 166th St., New York, N. Y. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing). **Offering**—Expected late April to early May.

**★ New England Telephone & Telegraph Co. (4/11)**
March 22, 1961 filed $45,000,000 of 33-year debentures. **Proceeds**—To redeem on or about May 12, outstanding 5¾% debentures due Sept. 1, 1994 in the same amount. **Office**—185 Franklin St., Boston 7, Mass. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Morgan Stanley & Co. **Offering** — Expected on or about April 11.

**Normandy Oil & Gas, Inc.**
Aug. 31, 1960 filed 750,000 shares of common stock. **Price**—$1 per share. **Business**—Oil and gas exploration and production. **Proceeds** — For general corporate purposes. **Office**—620 Oil & Gas Bldg., Wichita Falls, Texas. **Underwriter**—None, but 102,500 of the shares are reserved for commissions to selling brokers at the rate of 15 shares for each 100 shares sold.

**Northern Instrument Corp.**
March 10, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price**—$4 per share. **Business**—Manufacturers of electronic devices. **Proceeds**—For general corporate purposes. **Office**—3 Carll Ave., S., Babylon, N. Y. **Underwriter**—I. R. E. Investors Corp., Levittown, N. Y.

**Ohio-Franklin Fund, Inc. (4/17)**
Feb. 3, 1961 filed 2,000,000 shares of common stock to be offered to investors through a tax-free exchange of shares for securities of a selected list of companies. **Exchange Price**—Net asset value (expected to be $10 per share). **Business**—A new fund which provides a medium through which holders of blocks of securities may obtain diversification and continuous professional investment management without incurring Federal capital gains tax liability upon the exchange. **Proceeds**—For investment. **Office**—51 North High St., Columbus, O. **Distributor**—The Ohio Co., Columbus, O.

**Orange & Rockland Utilities, Inc. (4/20)**
March 14, 1961 filed $12,000,000 of first mortgage bonds, series G, due April 15, 1991. **Proceeds**—For redemption of $6,442,000 of first mortgage bonds, series B, due May 1, 1961; for repayment of bank loans and for construction. **Office**—10 North Broadway, Nyack, N. Y. **Underwriters**—To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; W. C. Langley & Co., Glore, Forgan & Co. (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc., Eastman Dillon, Union Securities & Co., Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 20. **Information Meeting**—Scheduled for 11 a.m. (EST) April 13 at Bankers Trust Co., 16 Wall St., New York City.

**Packard Instrument Co., Inc. (4/3-7)**
Feb. 13, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The firm is engaged in the development, manufacture and sale of scientific instruments. **Proceeds**—For general corporate purposes, including research and debt reduction. **Office**—Lyons, Ill. **Underwriter** — A. G. Becker & Co. Inc., Chicago, Ill. (managing).

**• Palm Developers Limited**
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City.

**Panacolor, Inc.**
Feb. 24, 1961 filed 200,000 shares of common stock (par 20 cents). **Price**—$4 per share. **Business**—The company plans to engage in the business of developing and printing color film primarily for the motion picture and television industries. **Proceeds**—For the construction of two machines to print color film by the Panacolor Process; for sales promotion, market development and officers' salaries; for mortgage and interest payments; and for working capital. **Office**—6660 Santa Monica Blvd., Hollywood, Calif. **Underwriter** — Federman, Stonehill & Co., New York City (managing). **Offering**—Expected sometime in April.

**Panoil Co.**
Feb. 23, 1961 filed 3,000,000 shares of capital stock to be offered for subscription by stockholders in units (each unit consisting of four shares) on the basis of one unit for each share of capital stock held. **Price**—To be supplied by amendment. **Business**—The company, formerly Pan American Land & Oil Royalty Co., was organized in 1956 to acquire petroleum concessions in Cuba. It obtained stock in certain Cuban royalty and concession holding companies, which stock is now considered without value. At present the company has petroleum concession rights in Colombia, Turkey and Trinidad. **Proceeds**—To repay debts and for working capital. **Office**—1130 Republic National Bank Bldg., Dallas, Tex. **Underwriter**—None.

**Pantex Manufacturing Corp.**
Dec. 27, 1960 filed 513,299 shares of capital stock, of which 307,222 shares are to be offered for the account of the issuing company and 206,077 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. The stock being offered for the company is a rights offering; one new share will be offered for each three capital shares held. **Price**—To be supplied by amendment. **Proceeds**—For the purchase of 200,000 shares of Tel-A-Sign, Inc. for $450,000, said shares to be distributed as a dividend to shareholders, with the balance for general corporate purposes, including working capital. **Office**—Central Falls, R. I. **Underwriter**—None.

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**Pearce-Simpson, Inc.**
Dec. 30, 1960 filed $1,800,000 of outstanding 6% convertible debentures due April 1, 1970; 200,000 shares of common stock reserved for issuance upon conversion of the debentures; 145,938 outstanding shares of common stock; 72,500 outstanding warrants for the purchase of common shares and a like number of underlying shares. **Business** —The manufacture of radio telephones. **Proceeds**—To the selling stock and debenture holders. **Office**—2295 N. W. 14th Street, Miami, Fla. **Underwriter**—None.

**Pecos Land & Development Co., Inc.**
Jan. 31, 1961 filed 4,000,000 shares of common stock, of which 500,000 are to be offered for public sale by officers of the company at $1 per share; 1,897,661 shares are to be exchanged for various assets and businesses, and may be offered for sale by the holders; and 914,574 shares may be issued by the company from time to time in the acquisition of additional properties. **Business**—The acquiring, holding, developing and selling of land, and oil and gas and mining properties, all located principally in the Southwestern and Rocky Mountain regions of the United States. **Proceeds** — For general corporate purposes. **Office**—207 Shelby St., Santa Fe, New Mexico. **Underwriter**—None.

● **Personal Property Leasing Co. (4/3-7)**
Jan. 24, 1961 filed 150,000 shares of capital stock. **Price** —$6.50 per share. **Business**—The company is engaged in the business of leasing a variety of equipment and machinery to industrial and commercial firms to meet their specific requirements. **Proceeds** — For additional working capital. **Office** — 6381 Hollywood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing).

**Peterson Building Corp.**
Feb. 24, 1961 filed $630,000 of 5½% leasehold mortgage sinking fund bonds to be offered for public sale in denominations of $1,000 and $500. **Business**—The company is constructing a building on leased premises in the business district of Lincoln, Neb., which will provide street level space for retail tenants and a six-level, self-parking garage. **Proceeds**—For construction. **Office**—National Bank of Commerce Bldg., Lincoln, Neb. **Underwriters**—Ellis, Holyoke & Co., and Commerce Investment Co., both of Lincoln, Neb.

**Pharmaceutical Vending Corp.**
Feb. 17, 1961 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds** —For machinery and equipment, plant facilities, inventory and working capital. **Office**—100 W. 10th Street, Wilmington, Del. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

**Philadelphia Aquarium, Inc.**
Oct. 14, 1960 filed $1,700,000 of 6% debentures due 1975 and 170,000 shares of capital stock (par 50 cents) to be offered in units, each consisting of one $100 debenture and 10 shares of stock. **Price**—$150 per unit. **Business**—Operation of an aquarium in or about Philadelphia. **Proceeds**—To acquire ground and to construct an aquarium building or buildings. **Office**—2635 Fidelity-Philadelphia Trust Building, Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

**Photronics Corp. (6/15)**
Feb. 24, 1961 filed 150,000 shares of common stock (par 10 cents), to be offered for subscription by stockholders on the basis of three new shares for each four shares held. **Price**—To be supplied by amendment. **Business**—The design, development and manufacture of optical and electro-optical systems and components used in aerial reconnaissance, photo-interpretation, photo-grammetry and optical scanning devices. **Proceeds** — For working capital, research and development, and new equipment. **Office**—134-08 36th Road, Flushing, N. Y. **Underwriter**—L. D. Sherman & Co., New York City.

● **Physio-Chem Corp. (4/3)**
Feb. 15, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of educational and scientific equipment for boys and girls. **Proceeds**—For general corporate purposes. **Office**—511 Homestead Avenue, Mount Vernon, N. Y. **Underwriter**—Fontana Securities Inc., New York, N. Y. **Note**—This company was formerly called Home Lab Supply, Inc.

**Plastics Corp. of America, Inc.**
Feb. 9, 1961 filed 800,000 shares of common stock, of which 650,000 shares are to be offered first in exchange for outstanding 5% notes on the basis of one share for each $1 principal amount of 5% note with the remaining 150,000 shares, together with any of the 650,000 shares not issued in the exchange, to be offered publicly. **Price** —$1 per share. **Business**—The company was organized under Minnesota law in November 1960 to provide a vehicle for the acquisition of companies engaged in the fields of plastics, rubber and related materials. **Proceeds** — To retire the above notes, open a plant in the Minneapolis-St. Paul area and provide working capital for any newly acquired companies. **Office**—1234 Baker Bldg., Minneapolis, Minn. **Underwriter**—None.

**Popell (L. F.) Co.**
Nov. 18, 1960 filed 99,996 shares of common stock to be offered for subscription by common stockholders at the rate of one share for each three shares of common stock held. **Price**—To be supplied by amendment. **Business**—Distribution, sale and installation of building, insulating and acoustical products. **Proceeds**—For plant construction; expansion of its distribuiton of Perma-Glaze and working capital. **Office**—2501 Northwest 75th Street, Miami, Fla. **Underwriter**—To be supplied by amendment.

● **Presidential Realty Corp. (4/3)**
Jan. 30, 1961 filed 150,000 shares of common stock. **Price** —To be supplied by amendment. **Business** — The company was organized under Delaware law in January, 1961, to acquire the outstanding stock of the Shapiro Co., which is engaged in the development of real estate projects of various types. **Proceeds**—For construction; acquisition of properties; development of projects; and reduction of bank debt. **Office**—180 South Broadway, White Plains, N. Y. **Underwriter**—Burnham & Co., New York City (managing).

**Presto Dyechem Co., Inc.**
Feb. 27, 1961 (letter of notification) 110,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Producers of dye markers and shark repellants. **Proceeds**—For general corporate purposes. **Office** 45 John Street, Yonkers, N. Y. **Underwriter** — Frank Karasik & Co., Inc., New York, N. Y.

**Progress Webster Electronics Corp. (4/3-7)**
Jan. 13, 1961 filed 150,000 shares of common stock. **Price** —$4.50 per share. **Business**—The company and its subsidiaries are engaged in the business of manufacturing, distributing and developing electronic equipment and components and related products for residential, commercial and military use. **Proceeds**—For working capital. **Office**—10th Street, and Morton Avenue, Chester, Pa. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing).

● **Publishers Company, Inc. (4/10-14)**
Jan. 27, 1961 filed 220,000 shares of common stock. **Price** —$10 per share. **Business**—The company and its subsidiaries are engaged in the business of selling and financing books sales. **Proceeds**—To acquire the assets of Books, Inc., 1140 Broadway, New York City; to invest in a new District of Columbia company, Books, Inc.; to invest additional funds in a subsidiary; to finance installment sales contracts receivable and for working capital. **Office**—1116 18th St., N. W., Washington, D. C. **Underwriters**—Amos Treat & Co., Inc., New York City and Roth & Co., Inc., Philadelphia, Pa. (managing).

**Puerto Rican Airlines, Inc.**
Feb. 6, 1961 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds** — For accounts payable, to purchase equipment and for general corporate purposes. **Office**—c/o F. J. Perez-Almiroty, 1764 Ponce de Leon Ave., San Juan, Puerto Rico. **Underwriter**—Investment Securities Co. of Maryland, Inc., Baltimore, Md.

**Ram Electronics, Inc.**
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter**—To be named. **Offering**—Early April.

**Realty Collateral Corp.**
Dec. 12, 1960 filed $20,000,000 of collateral trust notes, series A, due 1981. **Price**—To be supplied by amendment. **Business** — The company was organized in September, 1960 to invest in real property mortgages insured under Title II of the National Housing Act. **Proceeds**—For general business purposes. **Office**—444 Madison Ave., New York, N. Y. **Underwriter**—None.

★ **Recreation Enterprises, Inc.**
March 16, 1961 filed 110,000 units of common stock and warrants, each unit to consist of one share of class A common and two common stock purchase warrants for the purchase of class A common (one exercisable at $5.50 per share for 18 months and the other at $6 per share within 36 months). **Price**—$5 per unit. **Business**—The company plans to operate a chain of bowling alleys in the midwestern states, initially in Missouri and Kansas. **Proceeds**—For the building of bowling centers. **Office**—6000 Independence Ave., Kansas City, Mo. **Underwriter** —I. M. Simon & Co., St. Louis, Mo.

★ **Red Star Yeast & Products Co.**
March 16, 1961 filed $1,000,000 of convertible subordinated debentures, due 1976. **Price** — To be supplied by amendment. **Business**—The production of yeast and yeast products for the pharmaceutical, food, and animal feed industries. **Proceeds** — For diversification and possible acquisitions. **Office**—221 East Buffalo St., Milwaukee, Wis. **Underwriter**—Loewi & Co., Inc., Milwaukee.

● **Rego Insulated Wire Corp. (4/4)**
Jan. 30, 1961 filed 200,000 shares of common stock, of which 180,000 shares are to be offered for public sale by the company and 20,000, being outstanding stock, by the present holders thereof. **Price** — $4.50 per share. **Business**—The company is engaged in the manufacture of insulated wire and cable, garden hose and garden supply items, television antennas, plastic toys and doll bodies; and has recently commenced the production of thermoplastic compounds for use in its own manufacturing operations, as well as for resale to other manufacturers. **Proceeds**—For the repayment of loans and for working capital. **Office**—830 Monroe Street, Hoboken, N. J. **Underwriter** — Russell & Saxe, Inc., New York City, (managing).

● **Renwell Electronics Corporation of Delaware (3/24-29)**
Jan. 9, 1961 filed 100,000 shares of common stock. **Price** —$4 per share. **Business**—The company was organized in December, 1960, to acquire all of the outstanding stock of Renwell Electronic Corp., a manufacturer of electronic assemblies and various other electronic components. **Proceeds** — For new equipment, plant expansion and working capital. **Office**—129 South State Street, Dover, Del. **Underwriter**—William David & Motti, Inc., New York City.

● **Resitron Laboratories, Ltd. (4/18)**
Feb. 16, 1961 (letter of notification) 200,000 shares of common stock. **Price** — $1 per share. **Business** — The manufacture of closed circuit television tubes, circuit breakers and relays for high powered communications systems. **Proceeds**—To repay bank loans, purchase new equipment and for working capital. **Office** — 2908 Nebraska Avenue, Santa Monica, Calif. **Underwriter**—Russell & Saxe, Inc., New York City, is no longer underwriting. New underwriter is Donald E. Liederman & Co., 50 Broad St., New York City.

● **Roblin-Seaway Industries, Inc. (3/27-31)**
Dec. 29, 1960 filed 80,000 shares of class A stock. **Price** —$6 per share. **Business**—Organized under New York law in December 1960, the company will be consolidated with, and carry on the business of Roblin, Inc., which buys and sells scrap steel and other ferrous and non-ferrous metals and Seaway Steel Corp., which operates a rolling mill producing bars, rods and other shapes of steel and nickel. The company will also have interests ranging from 50% to 76% in a demolition contractor, a lessor of demolition equipment, a stevedoring business, a metals broker and a manufacturer of rolled nickel anodes and other rolled nickel products. **Proceeds**—For general corporate purposes. **Office**—1437 Bailey Ave., Buffalo, N. Y. **Underwriter** — Brand, Grumet & Seigel, Inc., New York City (managing).

**Rochester Telephone Corp. (3/24-4/10)**
Feb. 21, 1961 filed 273,437 shares of common stock (par $10) to be offered to holders of the outstanding common of record March 24 on the basis of one new share for each five shares then held. Rights expire April 10. **Price** —To be supplied by amendment. **Business**—The company is an independent telephone company serving without competition the city of Rochester and the adjacent areas. **Proceeds**—To be applied to the repayment of the company's 1960-1 borrowings from banks of about $6,-000,000 for construction purposes. **Office** — Rochester, N. Y. **Underwriter**—First Boston Corp., New York City (managing).

★ **Rocket Jet Engineering Corp.**
March 20, 1961 filed 110,000 outstanding shares of common stock (par 75 cents). **Price**—To be supplied by amendment. **Business** — The design, development and manufacture of escape and survival equipment used in military aircraft. **Proceeds**—For the selling stockholders. **Office**—1426 South Flower Street, Glendale, Calif. **Underwriters**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif., and Maltz, Greenwald & Co., New York City. The latter firm will handle the books in the East. **Offering**—Expected in late May.

**Rocket Research Corp.**
Jan. 19, 1961 filed 300,000 shares of common stock. **Price** —$2.25 per share. **Business**—The company is engaged in research on new high energy propellant systems, the development of a miniature rocket for application to satellite and space vehicles and in the preparation of proposals which have been submitted to certain governmental agencies. **Proceeds**—For general corporate purposes. **Office**—233 Holden Street, Seattle, Wash. **Underwriter**—Craig-Hallum, Kinnard, Inc., Minneapolis, Minn.

★ **Ruth Outdoor Advertising Co. Inc.**
March 10, 1961 (letter of notification) 80,000 shares of class A stock (par 10 cents). **Price**—$3 per share. **Business**—Outdoor advertising. **Proceeds**—For general corporate purposes. **Address** — R. D. No. 2, Albany, N. Y. **Underwriter**—Lewis & Stoehr, New York, N. Y.

**San Diego Chargers, Inc.**
Feb. 28, 1961 (letter of notification) 100,000 shares of capital stock (no par). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—2223 El Cajon Boulevard, San Diego 4, Calif. **Underwriter** — Norman C. Roberts Co., San Diego, Calif.

● **Seacrest Industries Corp. (5/1)**
Feb. 24, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—$7.50 per share. **Business**—The sale of home-freezers and refrigerator-freezer combinations, home delivery of food plans, and manufacture and sale of swimming pools. **Proceeds**—For the purchase of Westchester Foods, Inc. stock; current liabilities; building improvements; advertising, promotion and expansion and for general corporate purposes. **Office**—354 Franklin Avenue, Franklin Square, Long Island, N. Y. **Underwriters**—A. J. Gabriel Co., Inc., New York, N. Y. and Williamson Securities Corp., 92 Liberty Street, New York 6, N. Y.

★ **Sealing Corp.**
March 9, 1961 (letter of notification) 60,000 shares of class A capital stock (par $1). **Price**—$5 per share. **Proceeds**—For general operating expenses; the processing of foreign and domestic patent applications, and for working capital. **Office**—2 Ryland St., Reno, Nev. **Underwriter** —None.

**Search Investments Corp.**
Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price** —$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds**—For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **Underwriter**—None.

● **Season-All Industries, Inc. (5/1)**
March 8, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Manufactures and distributes aluminum doors, windows, awnings and siding. **Proceeds**—To pruchase new equipment, retire bank indebtedness and add to working capital. **Office**—Indiana, Pa. **Underwriter**—Moore, Leonard & Lynch, Pittsburgh, Pa.

**Securities Credit Corp.**
Jan. 27, 1961 filed $3,000,000 of 6% series A subordinated debentures. **Price**—100% of principal amount. **Business**—The company and its subsidiaries are engaged

in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock St., Denver, Colo. **Underwriter**—None.

**Security Acceptance Corp.**
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and 25 shares of stock. **Price**—$200 per unit. **Business**—The purchase of conditional sales contracts on home appliances. **Proceeds** — For working capital and expansion. **Office**—724 9th St., N. W., Washington, D. C. **Underwriter**—None.

**Seias Corp. of America (4/12)**
Feb. 28, 1961 filed 170,000 shares of common stock, of which 20,000 will be offered publicly for the account of the company and 150,000, being outstanding stock, by the holders thereof. **Price**—To be filed by amendment. **Business**—The engineering, manufacture and sale of industrial gas heat processing and fluid processing equipment. **Proceeds**—The company will use the proceeds from its share of the offering for working capital. **Office**—Dresher, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

**★ Selmer (H. & A.), Inc.**
March 16, 1961 filed 40,000 shares of common stock (par $2). **Price**—To be supplied by amendment. **Business**—The importation, manufacture and distribution of wind bank instruments and accessories. **Proceeds**—For working capital and expansion. **Office**—1119 North Main St., Elkhart, Ind. **Underwriter**—Clark, Dodge & Co., New York City (managing). **Offering**—Expected in late April to early May.

**Shareholder Properties, Inc.**
Dec. 2, 1960 (letter of notification) 40,000 shares of class A common stock (par $1). **Price**—$7.50 per share. **Proceeds**—For working capital. **Office**—2540 Huntington Dr., San Marino, Calif. **Underwriter** — Blalack & Co., San Marino, Calif.

**Shepherd Electronic Industries, Inc.**
Jan. 18, 1961 (letter of notification) 78,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—9821 Foster Avenue, Brooklyn, N. Y. **Underwriter** — D. Klapper Associates, Inc., New York, N. Y. **Offering**—Imminent.

**● Shinn Industries Inc. (3/24-27)**
Nov. 29, 1960 filed 150,000 shares of common stock. **Price**—$6 per share. **Business**—The manufacture, assembly and sale of aircraft and missile components and the construction of industrial and research facilities. **Proceeds**—To repay a bank loan, for expansion and inventory, and for working capital. **Office**—Wilmington, Del. **Underwriter**—Myron A. Lomasney & Co., New York City.

**● Shoup Voting Machine Corp. (3/28)**
Jan. 27, 1961 filed 110,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the assembly, manufacture, sale and repair of voting machines and toll collection devices and auxiliary equipment. **Proceeds** — For the reduction of debt and for working capital. **Office**—41 East 42nd St., New York City. **Underwriter** — Burnham & Co., New York City (managing).

**Sigma Instruments, Inc. (5/1-5)**
Feb. 27, 1961 filed 200,000 shares of common stock (par $1), of which 78,540 are to be offered for public sale by the company and 121,460 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company, formerly The Fisher-Pierce Co., is engaged in the development, manufacture and sale of sensitive electromagnetic relays, photoelectronic street lighting controls and other electronic control devices. **Proceeds**—To repay bank loans and for working capital. **Office** — 170 Pearl St., South, Braintree, Mass. **Underwriter**—W. C. Langley & Co., New York City (managing).

**● Simplex Lock Corp.**
Feb. 8, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Selling a new type of security device called the Push Button Lock. **Proceeds**—For expenses of offering and to pay Scovill Manufacturing Co. for initial costs of tooling up for production. **Office**—150 Broadway, New York, N. Y. **Underwriters**—Charles Plohn & Co., and B. W. Pizzini & Co., both of New York, N. Y. **Offering**—Imminent.

**● Smith Kline & French Laboratories (3/29)**
March 7, 1961 filed 200,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business**—The company makes and sells ethical drugs, chiefly tranquilizers and central nervous system stimulants. **Proceeds**—To Yale University, the selling stockholder. **Office**—1500 Spring Garden Street, Philadelphia 1, Pa. **Underwriters**—Smith, Barney & Co. Inc. and First Boston Corp., both of New York City (managing).

**Southern California Edison Co. (4/4)**
March 1, 1961 filed $30,000,000 of first and refunding mortgage bonds, series N, due 1986. **Proceeds**—To retire short-term debt and for construction. **Office**—601 West Fifth St., Los Angeles 53, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: First Boston Corp.; Dean Witter & Co.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. **Bids**—To be received at the company's Los Angeles office on April 4, 1961 at 8:30 a.m. (PST).

**Southern States Investment & Mortgage Corp.**
Feb. 8, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For advances to subsidiaries and working capital. **Office**—424 Mark Bldg., Atlanta, Ga. **Underwriter**—First Fidelity Securities Corp., Atlanta, Ga.

**Southwestern Oil Producers, Inc.**
March 23, 1960 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter**—Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

**● Spiegel, Inc. (4/13)**
March 15, 1961 filed $40,000,000 of debentures, due 1983. **Price**—To be supplied by amendment. **Business** — The issuer is engaged in the sale of merchandise by mail, principally on a monthly payment basis. **Proceeds**—For general funds to finance increasing accounts receivable. **Office**—1061 W. 35th St., Chicago 9, Ill. **Underwriter**—Wertheim & Co., New York City (managing).

**Standard-American Leasing Corp.**
Feb. 14, 1961 (letter of notification) 240,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—2855 Highland Drive, Salt Lake City, Utah. **Underwriter** — E. H. Coltharp & Co., Salt Lake City, Utah.

**● Stelma Inc. (3/30)**
Feb. 15, 1961 filed 200,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products used in communications systems. **Proceeds** — To selling stockholders. **Office**—Stamford, Conn. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

**Stephen Realty Investment Corp.**
Jan. 16, 1961 filed 1,400,000 shares of beneficial interest, of which 1,000,000 shares will be publicly offered and 400,000 shares are to be exchanged for real estate ventures. **Price**—$5 per share. **Office** — 1930 Sherman St., Denver, Colo. **Underwriter** — Stephen Securities Corp., 710 American National Bank Bldg., Denver, Colo.

**● Stratton Corp. (5/1)**
March 3, 1961 filed $650,000 of 5% convertible subordinated debentures, due Dec. 1, 1981. **Price**—At 100% of principal amount. **Business**—The development and operation of a winter and summer recreational resort on Stratton Mountain in southern Vermont. **Proceeds**—For construction. **Office**—South Londonderry, Vt. **Underwriter**—Cooley & Co., Hartford, Conn.

**● Straus-Duparquet Inc.**
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriters**—John R. Boland & Co., New York City and Paul C. Kimball & Co. (Chicago).

**Sunset Outdoor Advertising, Inc.**
Feb. 20, 1961 (letter of notification) 90,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—To acquire assets of Crown Outdoor Advertising. **Office** — 9171 Sunset Boulevard, Los Angeles, Calif. **Underwriter** — Pacific Coast Securities Co., San Francisco, Calif.

**Superstition Mountain Enterprises, Inc.**
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

**★ Talley Industries, Inc.**
March 15, 1961 filed $1,500,000 of convertible subordinated debentures, due May 1, 1976. **Price**—To be supplied by amendment. **Business** — A holding company whose subsidiaries produce ballistic devices, solid propellants, electronic test systems and microwave components. **Office**—4551 E. McKellips Rd., Mesa, Ariz. **Underwriters**—Adams & Peck and McDonnell & Co., Inc., both of New York City. **Offering**—Expected in May.

**"Taro-Vit" Chemical Industries Ltd.**
Nov. 25, 1960 filed 2,500,000 ordinary shares. **Price**—$0.60 a share payable in cash or State of Israel Bonds. **Business** — The company produces, in Israel, a poultry food supplement, and pharmaceutical and chemical products. **Proceeds** — $750,000 for expansion; $170,000 for equipment and working capital; and $130,000 for repayment of a loan. **Office** — P. O. Box 4859, Haifa, Israel. **Underwriter**—None.

**● Tassette, Inc.**
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn. **Underwriter**—Amos Treat & Co., Inc., New York City (managing). **Offering**—Expected in mid-to-late April.

**Tax-Exempt Public Bond Trust Fund**
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of the United States, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

**Tax-Exempt Public Bond Trust Fund, Series 2**
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, Chicago, Ill. **Sponsor**—John Nuveen & Co., Chicago, Ill.

**★ Tele-Film Electronics Engineering Corp.**
March 10, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For repayment of loans; product development; expansion; and working capital. **Office**—818-17th St., Suite 610, Denver 2, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

**● Tele-Graphic Electronics Corp.**
Dec. 16, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Patent holding, development, and manufacture of its patentable products in the fields of air conditioning, air pollution control, electronics and plastics. **Proceeds**—For general corporate purposes. **Office**—514 Hempstead Ave., West Hempstead, N. Y. **Underwriter** — Lee Hollingsworth, 514 Hempstead Ave., West Hempstead, N. Y.

**★ Telephone Employees Insurance Co.**
March 22, 1961 filed 43,117 shares of capital stock to be offered for subscription by stockholders on the basis of two new shares for each three shares held. **Price**—To be supplied by amendment. **Business**—The company writes automobile casualty insurance, principally to employees of telephone companies who are considered preferred risks. **Office** — Baltimore, Md. **Underwriter** — Eastman Dillon, Union Securities & Co., New York City (managing).

**Tennessee Gas Transmission Co. (4/5)**
March 8, 1961 filed 200,000 shares of cumulative prefered stock (par $100). **Price** — To be supplied by amendment. **Business**—The operation of a pipe line system for the transmission of natural gas. **Proceeds**—To retire short-term notes. **Office**—Tennessee Bldg., Houston 1, Tex. **Underwriters**—Stone & Webster Securities Corp., and White, Weld & Co., New York City.

**Terry Industries, Inc.**
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. **Business** — The company, formerly Sentry Corp., is primarily a general contractor for heavy construction projects. **Proceeds**—The proceeds of the first 12,000 shares will go to Netherlands Trading Co. The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. **Office**—11-11 34th Ave., Long Island City, L. I., N. Y. **Underwriter** — (For the company's shares only) Greenfield & Co., Inc., New York City.

**● Terryphone Corp.**
Feb. 24, 1961 filed 200,000 shares of common stock (par 5 cents), of which 80,000 are to be offered for public sale by the company and 120,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company manufactures, leases, sells and services a line of internal communications systems for use in business and industry. **Proceeds**—For working capital and expansion. **Office**—4409 Carlisle Pike, Camp Hill, Pa. **Underwriters**—Stroud & Co., Philadelphia, Pa., and Warren W. York & Co., Allentown, Pa. (managing). **Offering**—Expected in late April.

**★ Thermal & Electronics Industries, Inc.**
March 14, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The manufacture and sale of small temperature control chambers and the development of traveling wave tubes. **Proceeds**—For additional equipment and research and development. **Office** — 1717 Pennsylvania Avenue, Linden, N. J. **Underwriter**—None. **Offering**—Expected in early May.

**● Thermo Dynamics, Inc. (3/27)**
Dec. 27, 1960 filed 315,089 common shares of which 285,000 shares will be offered for the account of the company and 30,089 shares, representing outstanding stock, are to be offered by two officers of the company. **Price**—$3.50 per share. **Business**—Formerly known as Agricultural Equipment Corp., this company distributes German made Stihl chain saws and Stihl "Go-Kart" gasoline engines; U. S. made tractor attachments and power saws; makes cryogenic gas reclamation and transferral systems, L-P gas thermo-shock weed control devices, portable furnaces, etc. **Proceeds**—For the repayment of debts, for expansion and for working capital. **Office**—1366 W. Oxford Avenue, Englewood, Colo. **Underwriter**—Lowell, Murphy & Co., Inc., Denver, Colo.

**Thrift Courts of America, Inc.**
Feb. 28, 1961 filed $800,000 of 10-year 8% convertible subordinated debentures, 100,000 shares of common stock and 50,000 warrants to purchase a like number of common shares, to be offered in units of $400 of debentures, 50 common shares, and 25 warrants. **Price** — $800 per unit. **Business** — The manufacture and sale of mobile homes, and the pre-construction of motel units. **Proceeds**—To repay bank loans, provide funds for the issuer's subsidiary, and add to working capital. **Office** — 1630 West Bristol St., Elkhart, Ind. **Underwriter** — Myron A. Lomasney & Co., New York City (managing). **Offering**—Expected in April.

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**Time Finance Corp.**
Dec. 30, 1960 registered $1,000,000 of 6% convertible subordinated debentures due Jan. 1, 1976 and 150,000 underlying common shares. **Price**—At 100% of principal amount. The debentures will be convertible at prices ranging from $7.50 per share in January 1961 to $15 per share in January 1970. **Proceeds**—$96,560 to increase volume of accounts receivable financing; $24,145 to increase volume of direct industrial loans and dealer contracts; $24,145 to increase volume of small loans; and $700,000 for the reduction of notes payable. **Office**—Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

● **Toledo Plaza Investment Trust**
Dec. 8, 1960, filed 209 Beneficial Trust Certificates in The Toledo Plaza Investment Trust. **Price**—$2,500 each. **Business** — The company will purchase an apartment project of not less than 242 units on 10 acre site in Prince Georges County, Md. **Proceeds**—To purchase the above-mentioned apartment project. **Office**—2215 Washington Ave., Silver Spring, Md. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

**Totts Pharmacal Corp.**
Feb. 1, 1961 filed 125,000 shares of common stock. **Price**—$4 per share. **Business** — The company was organized under Delaware law in September 1960 to acquire the business and properties of Lucente Enterprises, Inc., which manufactures and distributes a dentifrice under the name of "Orbit Dental Cream" in a novel plastic container with primary appeal to the children's market. **Proceeds**—For new equipment, the repayment of loans and working capital. **Office** — 3757 Mahoning Avenue, Youngstown, O. **Underwriter** — International Services Corp., 7 Church St., Paterson, N. J.

● **Transcontinental Gas Pipe Line Corp. (4/19-20)**
March 13, 1961 filed $35,000,000 of first mortgage pipe line bonds, due 1981. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of debt and for construction. **Office**—3100 Travis St., Houston, Tex. **Underwriters**—White, Weld & Co., and Stone & Webster Securities Corp., both of New York City.

● **Tronomatic Corp. (4/10)**
Feb. 27, 1961 (letter of notification) 65,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of various types of machines. **Proceeds** — For general corporate purposes. **Office** — 25 Bruckner Boulevard, Bronx, N. Y. **Underwriter**—Plymouth Securities Corp., New York, N. Y.

● **United International Fund Ltd. (4/12)**
Oct. 20, 1960 filed 1,000,000 shares of common stock (par one Bermuda pound). **Price**—$12.50 per share. **Business**—This is a new open-end mutual fund. **Proceeds**—For investment. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriters**—Kidder, Peabody & Co., Bache & Co., and Francis I. du Pont & Co., all of New York City (managing).

★ **United States Freight Co. (4/24)**
March 15, 1961 filed $15,393,900 of convertible subordinated debentures, due April 1, 1981 to be offered for subscription by holders of its outstanding capital stock on the basis of $100 principal amount of debentures for each seven shares held. **Price**—To be supplied by amendment. **Business**—Furnishes freight transportation services. **Proceeds** — For new equipment, expansion and working capital. **Office**—711 Third Ave., New York City. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc. (managing).

● **U. S. Mfg. & Galvanizing Corp.**
Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To reduce current liabilities, sales promotion, purchase inventory, and for working capital. **Office**—5165 E. 11th Avenue, Hialeah, Fla. **Underwriter**—Armstrong Corp., 15 William St., New York, N. Y. **Offering**—Expected in mid to late April.

**Universal Container Corp.**
Feb. 28, 1961 filed $1,000,000 of convertible subordinated debentures, due 1971. **Price** — To be supplied by amendment. **Business** — Converting and reconditioning wooden barrels and steel drums. **Proceeds** — To retire bank indebtedenss, with the balance for working capital and general corporate purposes. **Office**—8318 Grade Land, Louisville, Ky. **Underwriter**—Michael G. Kletz & Co., New York City (managing).

**Universal Manufacturing Co.**
Feb. 23, 1961 (letter of notification) 135,000 shares of common stock (par 10 cents) of which 35,000 shares are to be offered for the account of the company and 100,000 outstanding shares, stock, by the selling stockholders. **Price** — $2 per share. **Proceeds** — For working capital. **Office**—516 W. 4th Street, Winona, Minn. **Underwriter**—Naftalin & Co., Inc., Minneapolis, Minn.

**Vagabond Motor Hotels, Inc.**
Feb. 14, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To construct additional motor hotels, and for working capital. **Office**—3555 Fifth Avenue, Suite B, San Diego, Calif. **Underwirter**—Norman C. Roberts Co., San Diego, Calif.

● **Van Dusen Aircraft Supplies, Inc. (3/27-31)**
Jan. 16, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For expansion. **Office**—Minneapolis, Minn. **Underwriter**—Stroud & Co., Philadelphia, Pa.

**Vector Engineering, Inc.**
March 3, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Business** — Provides engineering and design services. **Proceeds** — For general corporate purposes. **Office** — 155 Washington Street, Newark, N. J. **Underwriter**—Omega Securities Corp., New York, N. Y. **Offering**—Expected in May.

★ **Victoreen Instrument Co.**
March 16, 1961 filed 350,000 shares of common stock (par $1). **Price**—To be related to the current market price of outstanding shares at the time of offering. **Business**—The development and manufacture of various electronic and nuclear instruments and devices. **Proceeds** — For new equipment, inventories, modernization of existing properties and expansion. **Office**—5806 Hough Avenue, Cleveland, Ohio. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing). **Offering** — Expected in early May.

**Visual Dynamics Corp.**
Jan. 12, 1961 (letter of notification) 100,000 shares of common stock (par five cents). **Price**—$3 per share. **Business**—Manufacturers of an audio-visual device for educational and entertainment purposes. **Proceeds**—For general corporate purposes. **Office**—42 S. 15th Street, Suite 204, Philadelphia, Pa. **Underwriter**—District Securities, 2520 L Street, N. W., Washington, D. C.

● **Vitamix Pharmaceutical, Inc.**
March 3, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The issuer compounds, makes, packages and sells ethical and proprietary drugs and vitamins throughout the country. **Proceeds**—For working capital. **Office**—50 51 Lancaster Ave., Philadelphia, Pa. **Underwriter**—Bache & Co., New York City (managing). **Offering** — Expected in mid-to-late April.

**Webster Publishing Co., Inc.**
March 13, 1961 filed 131,960 shares of common stock, of which 80,000 shares are to be offered for public sale by the company and 51,960 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—Publishes textbooks for elementary and high school students. **Proceeds** — To develop program materials designed for use in teaching machines and in other formats, and for working capital. **Office**—1154 Reco Ave., St. Louis, Mo. **Underwriter**—Newhard, Cook & Co., St. Louis (managing).

★ **Welch Scientific Co.**
March 20, 1961 filed 545,000 shares of common stock (par $1), of which 176,000 are to be offered for public sale by the company and 369,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of scientific instruments, laboratory apparatus and supplies. **Proceeds** — For working capital. **Office** — 1515 North Sedgwick Street, Chicago, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing). **Offering**—Expected in mid-May.

**Western Factors, Inc.**
June 29, 1960 filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

★ **Western Growth Corp.**
March 17, 1961 filed 202,107 shares of class A common stock (par 10 cents), of which 150,000 shares are to be offered for public sale by the company in units of 10 shares each; and 52,107 outstanding shares by a selling stockholder. **Price**—For the company's stock: $100 per unit. For the selling stockholder: At-the-Market. **Business**—The development of property in California for single-family homes, the investment in notes or contracts secured by single-family homes, and other phases of the real estate business. **Proceeds**—For ordinary expenses, repayment of loans and working capital. **Office**—636 North La Brea Avenue, Los Angeles, Calif. **Underwriter**—Reese, Scheftel & Co., Inc., New York City.

**Western Reserve Life Assurance Co. of Ohio**
March 1, 1961 filed 120,000 shares of common stock to be offered for subscription by stockholders on the basis of three new shares for each five shares held. Stockholders are to vote at the annual meeting in April on increasing the authorized stock to provide for the offering. **Business**—The company issues and sells life insurance policies in the State of Ohio. **Proceeds**—For expansion. **Office**—1 Union Commerce Annex, Cleveland 14, Ohio. **Underwriters** — McDonald & Co. and Ball, Burge & Kraus, Cleveland.

● **White Shield Corp. (4/3-7)**
Feb. 23, 1961 filed 50,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Business**—The sale of health and beauty aids, vitamins and drug sundries to retail stores and wholesale jobbers. **Proceeds**—For working capital. **Office** — 317 East 34th St., New York City. **Underwriter**—Adams & Peck, New York City.

**Willer Color Television System, Inc.**
Jan. 29, 1961 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City. **Offering**—Indefinite.

**Wilshire Insurance Co.**
Feb. 17, 1961 filed 313,000 shares of common stock, of which 187,000 will be offered for subscription to stockholders on a share for share basis and the remaining 126,000 shares, together with any of the 187,000 shares not purchased by stockholders, to be offered publicly. **Price**—$5 per share to stockholders and $5.50 per share to the public. **Business**—The writing of workmen's compensation, common carrier liability and automobile (physical damage) insurance. **Proceeds** — To increase capital funds to provide for the writing of additional policies in all lines of its business and to expand its coverage into other classes of insurance. **Office**—5413 West Washington Boulevard, Los Angeles, Calif. **Underwriter**—None.

**Winston-Muss Corp. (4/3-7)**
Jan. 30, 1961 filed $9,000,000 of convertible subordinated debentures due 1981 and 400,000 shares of common stock to be offered for public sale in units consisting of $22.50 principal amount of debentures and one share of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in January 1961 to engage in the conception, planning and execution of large scale property development and construction projects throughout the U. S. **Proceeds**—For the acquisition and development of real estate properties. **Office**—22 West 48th St., New York City. **Underwriter**—Lee Higginson Corp., New York City (managing).

**Winter Park Telephone Co.**
Feb. 13, 1961 filed 33,638 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each three shares held, with the unsubscribed stock to be publicly offered by the company. **Price** — To be supplied by amendment. **Proceeds** — For plant and equipment, with the balance for general corporate purposes. **Office** — 132 East New England Ave., Winter Park, Fla. **Underwriter**—None.

**Wolf Corp.**
Feb. 15, 1961 filed 30,000 shares of class A stock. **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 and proposes to engage in the construction, investment and operation of real estate properties. **Proceeds**—For investment and working capital. **Office** — 10 East 40th St., New York City. **Underwriter**—None.

**Wonderbowl, Inc.**
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office**—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

**Yuscaran Mining Co.**
May 6, 1960 filed 1,000,000 shares of com. stock. **Price**—$1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. On Jan. 5, 1961, the company reported that it is negotiating a merger with another company and that financing plans have been indefinitely postponed.



# Prospective Offerings

**A. T. U. Productions, Inc.**
March 15, 1961, it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To finance production of TV films. **Office** — 130 W. 57th Street, New York City. **Underwriter**—Marshall Co., 40 Exchange Place, New York City. **Registration**—Expected in May.

**Alamo Gas Supply Co.**
Jan. 24, 1961 it was reported that this company is negotiating for the sale of about $18,000,000 to $20,000,000 of bonds. **Proceeds**—For expansion of facilities. **Office**—San Antonio, Tex. **Underwriters** — White, Weld & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston, Tex.

**Alberta Gas Trunk Line Co., Ltd.**
Sept. 1, 1960 A. G. Bailey, President, announced that new financing of approximately $65,000,000 mostly in the form of first mortgage bonds, is expected early in 1961. **Office**—502-2nd St., S. W., Calgary, Alberta, Canada.

**American Fidelity Building & Loan Assn. (4/3)**
March 8, 1961 it was reported that this company plans to offer publicly 100,000 shares of class A common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To increase funds available for financing new home construction and improvement of existing properties. **Office**—36 E. Lanvale St., Baltimore 2, Md. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City. **Note**—This offering will not be registered with the SEC pursuant to an exemption granted under the Securities and Exchange Act of 1933.

**American Playlands Corp.**
Dec. 21, 1960 it was reported that this company plans to refile a registration statement covering 300,000 shares of common stock. This will be a full filing. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**— M. W. Janis & Co., Inc., New York City. **Registration**—Expected in late March.

**American Telephone & Telegraph Co. (6/6)**
March 15, 1961, the company announced plans to issue $250,000,000 of debenture bonds. **Proceeds**—For refunding a like amount of 5⅜% debentures due Nov. 1, 1986, on or about July 10. **Office**—195 Broadway, New York 7, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co.; First Boston Corp. **Bids**—To be received at the office of the company on June 6.

**Appalachian Power Co.**
Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp., Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

**Approved Finance Inc.**
Nov. 11, 1960 it was reported by Paul O. Sebastian, Vice-President-Treasurer, that the company is considering a rights offering to stockholders of additional common stock via a Regulation "A" filing, possibly to occur in mid-1961. **Office**—39 E. Chestnut St., Columbus, Ohio **Underwriter**—Vercoe & Co., Columbus, Ohio.

**Arizona Public Service Co.**
Feb. 8, 1961 it was reported that this company plans to issue about $38,000,000 of bonds in May and some preferred or common stocks in the fourth quarter. The company expects to spend about $320,000,000 on construction in the period 1961 to 1965 of which some $250,000,000 will come from outside sources. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be determined. The last sale of bonds was made privately on March 26, 1959 through Blyth & Co., Inc., and The First Boston Corp. The last sale of preferred stock on June 18, 1958 and the last sale of common (to stockholders on May 24, 1959) was also handled by Blyth & Co and The First Boston Corp.

**• Arkansas Power & Light Co. (5/15)**
March 16, 1961 it was announced that this subsidiary of Middle South Utilities plans the issuance of approximately $12,000,000 of 30-year first mortgage bonds. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly): Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—To be received May 15 at 11:30 a.m. (EST).

**Baltimore Gas & Electric Co.**
Feb. 21, 1961, F. E. Rugemer, Treasurer, stated that the company is considering the issuance of $15,000,000 to $20,000,000 of non-convertible debentures or preferred stock in the second quarter of 1961 and about $20,000,000 of bonds in late 1961 or early 1962. **Office**—Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly). The last sale of debentures was made to stockholders on May 8, 1959 through subscription rights and was underwritten by First Boston Corp., and associates. The last sale of preferred stock on Aug. 13, 1940 was handled by White, Weld & Co., and associates.

**Bell Telephone Co. of Pennsylvania (5/2)**
Feb. 23, 1961 it was reported that this subsidiary of American Telephone & Telegraph Co., plans to sell $50,000,000 of debentures. **Proceeds**—To refund $30,000,000 of 5⅜% debentures due 1994 on or about June 2, and for construction. **Office**—1835 Arch St., Philadelphia 3, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co., and Eastman Dillon, Union Securities & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected to be received on or about May 2, 1961.

**Brooklyn Union Gas Co. (6/8)**
March 3, 1961 it was reported that this company plans to sell about $20,000,000 of mortgage bonds. **Office**—176 Remsen St., Brooklyn 1, N. Y. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Harriman Ripley & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co.; Blyth & Co., Inc., and F. S. Moseley & Co. (jointly). **Bids**—To be received on June 8.

**Caldor, Inc.**
March 15, 1961 it was reported that a full filing will be made soon covering an undisclosed number of common shares. **Price**—$5 per share. **Business**—Operates a chain of discount stores in Northern Westchester and Connecticut. **Office**—Riverside, Conn. **Underwriter**—Ira Haupt & Co., New York City (managing).

**California Asbestos Corp.**
Sept. 28, 1960 it was reported that discussion is under way concerning an offering of about $300,000 of common stock. It has not yet been determined whether this will be a full filing or a "Reg. A." **Business**—The company, which is not as yet in operation but which has pilot plants, will mine and mill asbestos. **Proceeds**—To set up actual operations. **Address**—The company is near Fresno, Calif. **Underwriter**—R. E. Bernhard & Co., Beverly Hills, Calif. **Registration**—Indefinite.

**California Electric Power Co.**
Jan. 18, 1961 it was reported that this company's plans to offer $8,000,000 of bonds will be governed more by the conditions of the money market than by the company's early need for long-term financing. With its 1961 construction program tentatively scheduled at $20,000,000, the company can wait at least until fall before it needs financing. **Proceeds** — For construction. **Office**—2885 Foothill Boulevard, San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.

**★ Canandaigua Enterprises, Inc. Finger Lakes Racing Association, Inc.**
March 22, 1961 it was reported that this company plans to issue common stock and debentures with warrants. **Underwriter**—S. D. Fuller & Co., New York City (managing).

**Carbonic Equipment Corp.**
Dec. 8, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc.

**Car Plan System, Inc.**
Feb. 1. 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Automobile leasing. **Proceeds**—For expansion. **Office**—540 N. W. 79th St., Miami, Fla. **Underwriter**—R. F. Dowd & Co., Inc., New York City. **Registration**—Expected about March 15.

**Casavan Industries**
Feb. 1, 1961 it was reported by Mr. Casavena, President, that registration is expected of approximately $10,000,000 of common stock and $11,750,000 of 6% debentures. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds** — For expansion. **Office** — 250 Vreeland Ave., Paterson, N. J. **Underwriter** — To be named.

**Caxton House Corp.**
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

**Central Hudson Gas & Electric Co.**
March 14, 1961 it was reported that the company plans to sell $6,000,000 of preferred stock possibly in the second quarter. **Proceeds** — For expansion. **Office** — South Road, Poughkeepsie, N. Y. **Underwriter**—To be named. The last public sale of preferred in April 1949 was made through Kidder, Peabody & Co., and Estabrook & Co. (jointly).

**Central Louisiana Electric Co., Inc.**
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville. La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

**Cincinnati Gas & Electric Co.**
Feb. 16, 1961 it was stated in the company's 1960 annual report that this utility plans to sell both first mortgage bonds and common stock in 1962 to finance its $45,000,000 construction program. **Office**—Fourtin & Main Sts., Cincinnati, O. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc., and First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). The last issue of common stock (81,510 shares) was sold privately to employees in August, 1960.

**Colorado Interstate Gas Co.**
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing which is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

**Columbia Gas System, Inc. (6/1)**
March 8, 1961 it was reported that this company plans to sell $30,000,000 of debentures in June and is considering the sale of either $20,000,000 of debentures or $25,000,000 of common stock in the fall. **Office** — 120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). **Bids**—To be received at the company's office on June 1.

**Columbus & Southern Ohio Electric Co.**
March 13, 1961 it was reported the company will sell about $10,000,000 additional common stock in late 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co

**Commonwealth Edison Co.**
Jan. 10, 1961 it was reported that this company plans to sell $30,000,000 of bonds in the second quarter of 1961. **Office**—72 W. Adams Street, Chicago, Ill. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

**• Commonwealth International & General Fund (4/11)**
March 14, 1961, it was reported that this Fund plans to make its first public offering on April 11. **Price**—$12.50 per share. **Business**—A new mutual fund which will invest primarily in the common stocks of foreign companies and in American firms which do a substantial foreign business. **Proceeds**—For investment. **Office**—615 Russ Building, San Francisco, Calif. **Underwriter**—North American Securities Co., San Francisco.

**Community Public Service Co.**
Feb. 6, 1961 it was reported that this company plans to sell $5,000,000 of first mortgage bonds. **Office**—408 W. 7th Street, Fort Worth 2, Texas. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Offering**—Expected in May.

**• Consolidated Edison Co. of New York, Inc. (6/20)**
March 22, 1961 it was reported that this company plans to sell $50,000,000 of 30-year first mortgage bonds. **Office**—4 Irving Place, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received at the company's office on June 20 at 11 a.m. **Information Meeting** — Scheduled for June 13 at 10 a.m.

**Consolidated Natural Gas Co.**
Jan. 31, 1961 it was reported that this company expects to sell about $25,000,000 of debentures in late 1961. **Business**—A holding company for six operating concerns engaged in the natural gas business. **Proceeds**—For construction. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp. (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly).

**Consumers Power Co.**
Feb. 15, 1961 it was reported that this company may sell $20,000,000 of preferred and $30,000,000 of bonds about mid-year. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. The last sale of preferred stock, on July 21, 1955, was handled by Morgan Stanley & Co.

**• Continental Vending Machine Corp.**
Feb. 21, 1961 it was reported that the company is negotiating for the sale of $5,000,000 of convertible debentures on March 8, the company's name was changed from Continental Industries, Inc. **Business**—The company manufactures and operates automatic vending machines dispensing cigarettes, coffee, cold drinks and food. **Office**—958 Brush Hollow Road, Westbury, L. I., N. Y. **Underwriter**—It was stated that exploratory discussions have been held with Shields & Co., New York City.

**Dakota Reinsurance Corp.**
Nov. 28, 1960 it was reported by Walter H. Johnson, President, that the company plans its first public offering of an as yet undetermined amount of its $1 par common stock. **Business**—The company will enter the field of reinsurance on a multiple line basis. **Office** — P. O. Box 669, Yankton South Dakota. **Underwriter**—Mr. Johnson states that the company is actively seeking an underwriter.

**Dallas Power & Light Co.**
Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. **Office**—1506 Commerce Street, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: To be named.

**Delaware Power & Light Co.**
Feb. 7, 1961 it was reported that the company has postponed until early 1962 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Sept. 30, 1960, the sale would involve about 418,536 shares valued at about $14,600,000. The last offering of common to stockholders in June, 1956, consisted of 232,520 shares offered at $35 a share to holders of record June 6, on the basis of one share for each eight shares held. **Proceeds**—For construction. **Office**—600 Market Street, Wilmington, Del. **Underwriter**—To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., New York; W. C. Langley & Co., and Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co., and Shields & Co. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

**★ Di Giorgio Fruit Corp.**
March 20, 1961, the company reported that it plans to sell 275,000 additional shares of common stock. **Price**—To be supplied by amendment. **Business**—The production, harvesting and marketing of agricultural products, especially fruits. **Proceeds**—For the repayment of loans. **Office**—350 Sansome Street, San Francisco, Calif. **Underwriter**—Dean Witter & Co., San Francisco. **Registration**—Imminent.

**Diversified Automated Sales Corp.**
Nov. 16, 1960 it was reported by Frazier N. James, President, that a "substantial" issue of common stock, constituting the firm's first public offering, is under discussion. **Business** — The company makes a film and flashbulb vending machine called DASCO, which will sell as many as 18 products of various sizes and prices, and will also accept exposed film for processing. **Office**—223 8th Ave., South, Nashville, Tenn. **Underwriter**—Negotiations are in progress with several major underwriters.

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**Dynamic Center Engineering Co., Inc.**
Oct. 3, 1960 it was reported that the company plans a full filing of its $1 par common stock. **Proceeds**—To promote the sale of new products, purchase new equipment, and for working capital. **Office** — Norcross, Ga. **Underwriter**—To be named.

**Eastern Lime Corp.**
March 1, 1961, it was reported that this company plans to sell about $800,000 of 15-year convertible debentures. **Business**—The company produces chemical grade limestone for cement plants, crushed stone and black top for road building. **Office** — Kutztown, Pa. **Underwriters**—Stroud & Co., Philadelphia and Warren W. York & Co., Allentown, Pa.

★ **Edo Corp.**
March 21, 1961 it was reported that this company plans the issuance and sale of $2,000,000 of bonds. **Business**—The manufacturer of electronic equipment, particularly marine, airborne and underwater devices. **Proceeds**—For expansion. **Office**—1404 111 Street, College Point, N. Y. **Underwriter**—To be named.

**Empire Fund, Inc.**
March 8, 1961 it was reported that the Federal Internal Revenue Service had granted this fund's application for approval of a tax free exchange of shares for Corporate Securities. It is expected that a registration statement covering this "centennial-type" fund will be filed with the SEC shortly. **Office**—Pittsburgh, Pa.

**Epoderm Inc.**
Jan. 27, 1961 it was reported that the company plans its first public offering of 40,000 shares of common stock. **Price** — $10 per share. **Business** — The manufacture of drugs. **Proceeds**—The research and synthesis of certain hormones that may be helpful in revitalizing dormant hair growth. **Office**—New Jersey. **Underwriter**—M. H. Meyerson & Co., Ltd., 15 William St., New York City (managing).

**Exploit Films, Inc.**
March 8, 1961 it was reported that this company plans a full filing covering 100,000 common shares. **Price**—$5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th Street, New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing). **Registration**—Expected on or about April 1. **Offering**—Expected in late May.

**Fawcett Publications, Inc.**
Jan. 20, 1961 it was reported that this family-owned publishing business is contemplating its first public offering. **Office**—Greenwich, Conn. **Underwriter**—To be named.

**First Continental Real Estate Trust**
Jan. 6, 1961 it was reported that this company plans to file, at some future date, an SEC registration statement covering 1,500,000 trust shares to be offered for public sale. **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—105 West Adams Street, Chicago 3, Ill.

• **First National Bank of Toms River (N. J.)**
March 22, 1961 it was reported that stockholders voted on this date to increase the authorized stock to provide for payment of a 66⅔% stock dividend and sale of 20,000 new shares of common (par $5) to stockholders on the basis of one new share for each 20 shares held of record July 17, with rights to expire Aug. 17. **Price**—About $22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

**Florida Power & Light Co.**
Oct. 24, 1960 it was reported that an undetermined amount of bonds may be offered in the Spring of 1961. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

**Ford Motor Credit Co.**
Oct. 17, 1960 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur in the first quarter of 1961. **Office**—Detroit. Mich

★ **Gas Service Co.**
March 22, 1961 it was reported that stockholders are to vote April 18 on authorizing a new issue of 150,000 shares of preferred stock (par $100). The company is considering the sale of between $5,000,000 to $7,500,000 of preferred and may issue some bonds at the same time. **Office** — 700 Scarritt Bldg., Kansas City, Mo. **Underwriters**—To be named. The company has never issued preferred stock, but the last sale of common on April 19, 1954 was handled by Kuhn, Loeb & Co., Eastman Dillon, Union Securities & Co., Reynolds & Co., and Allen & Co. The last sale of bonds on July 6, 1958 was made privately through Eastman Dillon, Union Securities & Co., New York City and Stern Brothers & Co., Kansas City, Mo. **Offering**—Expected in late 1961.

**General Public Utilities Corp.**
March 14, 1961 it was stated in the company's 1960 annual report that the utility expects to sell additional common stock to stockholders in 1962 through subscription rights on the basis of one share for each 20 shares held. Based on the 22,838,454 common shares outstanding on Dec. 31, 1960, the offering will involve a minimum of 1,141,922 additional shares. **Office**—67 Broad St., New York 4, N. Y. **Underwriter**—None.

**General Resistance, Inc.**
Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering. **Office**—577 East 156th Street, Bronx, N. Y.

**General Telephone Co. of California**
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in the first half of 1961. **Office**—2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

**General Telephone Co. of Florida**
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, both of New York City.

**Georgia Bonded Fibers, Inc.**
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City. **Registration**—Expected in late March.

**Georgia Power Co. (10/18)**
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

**Goshen Farms Inc.**
Oct. 5, 1960 it was reported that 100,000 shares of the company's common stock will be filed. **Proceeds**—For breeding trotting horses. **Office**—Goshen, N. Y. **Underwriter**—R. F. Dowd & Co. Inc. **Registration**—Expected sometime in April.

**Grosset & Dunlap, Inc.**
Jan. 23, 1961 it was reported that this firm is contemplating its first offering of common stock. **Business**—This is a publishing firm owned by Little Brown, Harper's, Random House, and Book Of The Month Club, with the last-named firm owning the largest interest. The prospective issuer owns Treasure Books, Wonder Books, and Bantam Books jointly with Curtis Publishing Co. **Office**—1107 Broadway, New York City. **Underwriter**—Blyth & Co., Inc., New York City (managing).

**Gulf Power Co. (12/7)**
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec. 7, 1961.

**Hawaiian Telephone Co.**
March 8, 1961 it was reported that this company plans to sell about $5,000,000 of common stock to stockholders through subscription rights later this year. **Office**—1130 Alakea Street, Honolulu 13, Hawaii. **Underwriter**—None.

**Houston Fearless Corp.**
Feb. 27, 1961, Barry J. Shillito, President, stated that the company plans to expand its Western Surgical and Westlab divisions into a new national medical and hospital supply concern. He added that 80% of the new firm's stock would be retained by Houston and the remaining 20% sold to the public. **Office** — 11801 W. Olympic Blvd., Los Angeles 64, Calif.

**Houston Lighting & Power Co.**
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

**Idaho Power Co.**
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the third quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

**Illinois Terminal RR.**
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

★ **Indiana & Michigan Electric Co.**
March 21, 1961 it was reported that this subsidiary of American Electric Power Co., plans to sell about $30,000,000 of first mortgage bonds. **Proceeds**—For construction. **Offices**—2101 Spy Run Avenue, Fort Wayne, Ind., and 2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.; First Boston Corp.; Harriman Ripley & Co., Inc. **Offering**—Expected in June or July.

**Indianapolis Power & Light Co.**
According to a prospectus filed with the SEC on Aug. 25, 1960, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

**Industrial Gauge & Instrument Co.**
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc. **Registration**—Expected by late March.

• **Iowa-Illinois Gas & Electric Co. (4/25)**
March 20, 1961 it was reported that the utility plans to sell $15,000,000 of first mortgage bonds due 1991. **Proceeds**—To repay bank loans and for construction. **Office**—206 E. 2nd St., Davenport, Iowa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; First Boston Corp.; Glore, Forgan & Co. and Lehman Brothers (jointly); White, Weld & Co. and Blyth & Co., Inc. (jointly). **Bids** — To be received on April 25.

**Japan Telephone & Telegraph Corp.**
Oct. 27, 1960 it was announced that this government-owned business plans a $20,000,000 bond issue in the United States. **Proceeds**—For expansion. **Underwriters**—Dillon, Read & Co., First Boston Corp., and Smith, Barney & Co. **Offering**—Expected in the Spring of 1961.

**Kansas Power & Light Co.**
March 15, 1961 it was reported that this company is considering the issuance of $10,000,000 to $15,000,000 of bonds in the third or fourth qarter of 1961. **Proceeds**—For construction. **Office**—800 Kansas Ave., Topeka, Kan. **Underwriter**—First Boston Corp., New York City (managing).

**La Salle National Bank (Chicago, Ill.)**
March 8, 1961 it was reported that stockholders voted on March 2 to increase authorized stock from 135,000 to 165,000 shares (par $25) to provide for a 11.1% stock dividend and sale of 15,000 shares to stockholders on the basis of one new share for each 10 shares held of record March 2, with rights to expire March 30. **Price**—$75 per share. **Proceeds** — To increase capital. **Office**—135 South La Salle Street, Chicago 3, Ill. **Underwriters**—Bacon, Whipple & Co. (managing) and McCormick & Co., both of Chicago.

**Laclede Gas Co.**
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St. Louis, Mo.

**Long Island Lighting Co.**
Jan. 25, 1961 it was reported by Fred C. Eggerstedt, Jr., Assistant Vice-President, that the utility contemplates the issuance of $25,000,000 of 30-year first mortgage bonds probably in the second or third quarter of 1961. **Office**—250 Old Country Road, Mineola, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Blyth & Co., Inc. (jointly); W. C. Langley & Co. and Smith, Barney & Co. (jointly).

**Macrose Lumber & Trim Co., Inc.**
Dec. 20, 1960, it was reported that this company plans a public offering of about 500,000 common shares (par $1) in early 1961. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y.

★ **Madison Gas & Electric Co. (4/26)**
March 21, 1961 it was reported that this company plans to sell $7,000,000 of bonds. **Proceeds**—For repayment of bank loans and for construction. **Office**—100 No. Fairchild Street, Madison 1, Wis. **Underwriters**—To be determined by competitive bidding: Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Glore, Forgan & Co., and Harriman Ripley & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Smith, Inc.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on or about April 26.

**Magnefax Co.**
Feb. 21, 1961 it was reported that this company expects to sell 200,000 shares of common stock. **Business**—Manufactures office copying machines. **Office** — Commercial Trust Co. Bldg., Philadelphia, Pa. **Underwriter**—Stroud & Co., Philadelphia, Pa.

**Martin Paint & Wallpapers**
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds**—For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Avenue, Jamaica, L. I., N. Y.

**● Massachusetts Electric Co. (6/27)**
March 21, 1961 it was reported that the company plans to issue $17,500,000 of first mortgage bonds series F, due 1991. The company recently merged six subsidiaries of New England Electric System and changed its name to the above, from Worcester County Electric Co. **Office**—939 Southbridge Street, Worcester, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and Coffin & Burr, Inc. **Bids**—To be received on June 27.

**Masters Inc.**
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

**McCulloch Corp.**
Jan. 9, 1961 it was reported that this corporation will schedule its initial public financing for late 1961 or some time in 1962. **Business**—The corporation manufactures Scott outboard motors and McCulloch chain saws. **Office**—6101 West Century Boulevard, Los Angeles 45, Calif.

**Metropolis Bowling Centers Inc.**
March 13, 1961 it was reported that this company is planning to sell 192,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The company has three bowling alleys in operation in New York City. **Proceeds** — To maintain present properties and acquire other bowling centers. **Office**—72 Park Row, New York City. **Underwriters**—Thomas, Williams & Lee, Inc., and Russell & Saxe, Inc., New York City (managing). **Registration**—Imminent. **Offering**—Expected in late April.

**Metropolitan Edison Co.**
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

**● Michigan Consolidated Gas Co. (5/23)**
Jan. 11, 1961 it was reported that this company plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds**—To repay notes and for construction. **Office**—415 Clifford St., Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: White, Weld & Co.: Lehman Brothers; and Halsey, Stuart & Co. Inc. **Bids**—To be received in Detroit on May 23.

**● Michigan Wisconsin Pipe Line Co. (6/6)**
Jan. 10, 1961 it was reported that this subsidiary of American Natural Gas Co., plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds** — For construction. **Office** — 500 Griswold Street, Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc. **Bids**—To be received June 6.

**Mississippi Power Co. (9/28)**
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Bids**—Expected to be received on Sept. 28.

**Mississippi River Transmission Corp.**
Feb. 27, 1961, it was reported that this subsidiary of Mississippi River Fuel Corp., plans to sell about $6,500,000 of debentures or bonds in late 1961. **Proceeds**—For the repayment of bank debt. **Office**—9900 Clayton Road, St. Louis, Mo. **Underwriter**—To be named. The last issue of debentures by Mississippi River Fuel Corp., parent, in March 1958 was underwritten by Eastman Dillon, Union Securities & Co., and associates.

**Monroe Mortgage & Investment Corp.**
Dec. 12, 1960, Cecil Carbonell, Chairman, announced that this company is preparing a "Reg. A" filing covering 150,000 shares of common stock. **Price** — $2 per share. **Business**—The company is engaged in first mortgage financing of residential and business properties in the Florida Keys. **Proceeds**—To expand company's business. **Office**—700 Duval Street, Key West, Fla. **Underwriter**—None.

**Monticello Lumber & Mfg. Co.**
Jan. 3, 1961 it was reported that this company plans a "Reg. A" filing covering 75,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For equipment, plant expansion and working capital. **Office**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., 117 Liberty St., New York City.

**National Fuel Gas Co. (4/25)**
March 15, 1961, the company reported that it plans to issue $27,000,000 of debentures. **Proceeds** — To refund $15,000,000 of 5½% debentures due 1982 and for other corporate purposes. **Office** — 30 Rockefeller Plaza, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co., and Stone & Webster Securities Corp. (jointly). **Bids**—Tentatively expected April 25, at 11:30 a.m. (EST) in Room 2033, 2 Rector St., New York City. **Information Meeting**—Scheduled for April 21, at 11 a.m. (EST) in Room 240, 2 Rector St., New York City.

**New England Power Co.**
Jan 24, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Offering**—Expected in October.

**New England Telephone & Telegraph Co. (4/25)**
Feb. 21, 1961 this subsidiary of American Telephone & Telegraph Co., announced plans to sell additional common stock to stockholders through subscription rights on the basis of one new share for each seven shares held of record April 25. Based on the 22,047,305 shares outstanding on Dec. 31, 1960 this would amount to about 3,150,000 common shares. **Proceeds**—To repay short term loans and to pay at maturity $40,000,000 of 4½% first mortgage bonds due May 1, 1961. **Office**—185 Franklin St., Boston 7, Mass. **Underwriter**—None.

**New Orleans Public Service, Inc. (5/25)**
Nov. 10, 1960 it was reported that an issue of $15,000,000 of first mortgage bonds is expected in May, 1961. **Office**—317 Baronne St., New Orleans, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lee Higginson Corp., Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler. **Offering** — Expected May 25.

**New York State Electric & Gas Corp. (5/16)**
March 6, 1961, Joseph M. Bell, Jr., President, stated that the company plans to sell $25,000,000 of first mortgage bonds. **Proceeds**—To repay bank loans and for construction. **Office**—108 East Green St., Ithaca, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Salomon Bros. & Hutzler (jointly); Blyth & Co., Inc.; Harriman Ripley & Co., First Boston Corp. and Glore, Forgan & Co. (jointly). **Bids**—To be received on May 16.

**● Northern Illinois Gas Co.**
March 22, 1961, it was reported that this company plans to sell about $20,000,000 of common stock through a rights offering to stockholders. **Office**—50 Fox Street, Aurora, Ill. **Underwriters**—To be named. The last rights offering in April, 1954, was underwritten by First Boston Corp., and Glore, Forgan & Co., both of New York City. **Offering**—Expected in June.

**Northern Natural Gas Co.**
March 15, 1961, the company reported that it expects to raise about $80,000,000 of new money in 1961. Present plans are for issuance of about $30,000,000 of debentures by mid-year and an additional $30,000,000 to $35,000,000 of debentures by year-end. It is also expected that some $12,000,000 to $15,000,000 of common stock will be sold to stockholders through subscription rights in September or October. **Proceeds**—For construction. **Office**—2223 Dodge St., Omaha 1, Neb. **Underwriter** — Blyth & Co., New York City (managing).

**Northern States Power Co.**
Jan. 10, 1961 it was reported that this company plans to sell $20,000,000 of bonds in the third quarter of 1961. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly). **Offering**—Expected in August.

**Northwestern Public Service Co.**
March 8, 1961 it was reported that this company plans to sell about $2,500,000 of bonds in August or September. **Office**—Huron, S. Dak. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart, & Co., and Kidder, Peabody & Co.

**Northwestern Public Service Co.**
March 8, 1961 it was reported that this company plans to sell about $1,200,000 of common stock to stockholders through subscription rights. **Office**—Huron, S. Dak. **Underwriter**—To be named. The last rights offering to stockholders, on July 8, 1958, was underwritten by A. C. Allyn & Co., Chicago, Ill. **Offering**—Expected in April.

**One Maiden Lane Fund, Inc.**
March 2, 1961 it was reported that this fund expects to file 300,000 shares of common stock. **Price** — $3 per share. **Business**—This is a new mutual fund. **Proceeds**—For investment, mainly in listed convertible debentures and U. S. Treasury bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nicholls & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

**Pacific Lighting Corp.**
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California Street, San Francisco 8, Calif.

**Pacific Telephone & Telegraph Co.**
Jan. 30, 1961 it was reported that this company, controlled by American Tel. & Tel. Co., plans to form a new subsidiary to operate in Washington, Oregon and Idaho. The new concern will acquire the business and properties of the present operating division, known as Pacific Telephone-Northwest, established in February 1960. All of the stock of the new company will be issued to Pacific Telephone, but "as soon as practicable" it will be offered for sale to Pacific Telephone shareholders at a price to be fixed by the Board of Directors. **Office**—140 New Montgomery St., San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A T & T, which owns over 90% of the outstanding stock, exercised its rights to subscribe to its prorata share of the offering.

**Panhandle Eastern Pipe Line Co.**
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in September, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

**★ Pennsylvania Electric Co. (5/17)**
March 22, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell $10,000,000 of 30-year first mortgage bonds. **Office**—222 Levergood Street, Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Kuhn, Loeb & Co. **Bids**—To be received on the 37th Floor of 80 Pine Street, New York City on May 17 at 11 a.m. (EST).

**★ Pennsylvania Electric Co. (6/5)**
March 22, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell $12,000,000 of 25 - year debentures. **Office** — 222 Levergood Street, Johnstown, Pa. **Underwriters** — To be determined by competitive bidding. The company has never before issued debentures. However, the following underwriters bid on the last issue of bonds: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Bids**—To be received at 80 Pine St., 37th floor, on June 5 at noon (EST).

**Pennsylvania Power Co.**
Dec. 14, 1960, it was reported that this company has applied to the SEC for an order under the Holding Company Act, authorizing the issuance of $878,000 of first mortgage bonds, 3¼% series, due 1982. **Proceeds**—For sinking fund purposes. **Office** — 19 E. Washington St., New Castle, Pa. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Equitable Securities Corp., and Shields & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc., and Dean Witter & Co. (jointly).

**● Peoples Gas Light & Coke Co. (5/9)**
Jan. 10, 1961 it was reported that this company plans to sell about $35,000,000 of first mortgage bonds in 1961. **Proceeds**—To retire maturing bonds and for construction. **Office**—122 So. Michigan Avenue, Chicago 3, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; First Boston Corp. **Bids**—To be received May 9.

**Power Chem Industries**
Oct. 18, 1960 it was reported that the company plans a "Reg. A" filing of 75,000 shares of common stock, constituting its first public offering. **Business**—The company is in the process of organizing and will manufacture additives for fuel oils. **Proceeds**—For expansion and general corporate purposes. **Office** — 645 Forrest Ave., Staten Island, N. Y. **Underwriter** — Ronwin Securities Inc., 645 Forrest Ave., Staten Island, N. Y. **Registration**—Indefinite.

**Public Service Co. of Colorado**
Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about $20,000,000 of common stock to be offered stockholders through subscription rights in mid-1961. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter** — Last equity financing handled on a negotiated basis by First Boston Corp.

**● Public Service Electric & Gas Co. (6/6)**
March 22, 1961 it was reported that this company plans to sell about 900,000 shares of common stock, subject to the approval of the New Jersey Public Service Commission. **Proceeds** — For construction. **Office** — 80 Park Place, Newark, N. J. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

**Radiation Applications, Inc.**
Jan. 17, 1961 it was reported that this company is considering a public offering of stock in 1962. **Business**—Develops plastic and chemical materials for the electronics and missile industries, and performs extensive research and development in the fields of atomic energy, extractive metallurgy, plastics, and electrical insulation. Schenley Industries, Inc., owns about 36% of the outstanding stock. **Office**—Long Island City, N. Y. **Underwriter**—To be named. Hayden, Stone & Co., New York, recently handled a private placement of the company's stock.

**Rochester Gas & Electric Corp.**
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

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**Sierra Pacific Power Co. (5/4)**
Feb. 16, 1961 the company stated that it plans to sell offer common stockholders the right to subscribe to additional stock on the basis of one new share for each 12 shares held. Based on the 795,416 common shares outstanding on Nov. 30, 1960 and the proposed 2-for-1 stock split expected to become effective March 29, 1961, this offering will involve about 132,570 new shares, and will be made on or about May 4. **Office**—220 South Virginia St., Reno, Nev. **Underwriter**—None.

**Sierra Pacific Power Co. (5/11)**
Feb. 16, 1961 the company reported that it plans to $6,500,000 of first mortgage bonds. **Proceeds**—For construction. **Office** — 220 South Virginia St., Reno, Nev. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Dean Witter & Co.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on May 11.

**Silo's Discount House**
Jan. 9, 1961 it was reported that this retail chain is contemplating its first public financing. **Office**—Philadelphia, Pa.

**Simulmatics Corp.**
Feb. 21, 1961 it was reported that the company expects to file a registration statement shortly, covering 150,000 shares of common stock. **Office**—501 Madison Ave., New York 22, N. Y. **Underwriter**—Russell & Saxe, New York City.

**Sony Corp.**
Feb. 21, 1961 it was reported that this company plans to sell 2,000,000 common shares in the U. S., this summer. A registration statement covering the proposed offering will be filed with the SEC. **Business**—The company is a major producer of electronic consumer goods such as tape recorders, transistor radios and television sets. **Office**—Tokyo, Japan. **Underwriter**—To be named.

**Southern Electric Generating Co. (6/15)**
Jan. 4, 1961 it was reported that this company, jointly owned by Alabama Power Co., and Georgia Power Co. both in turn controlled by The Southern Co., plans the public sale of $25,000,000 first mortgage bonds due June 1, 1992. **Proceeds**—For expansion. **Office**—600 North Eighteenth St., Birmingham 3, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders included Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc., (jointly); Morgan Stanley & Co., White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); First Boston Corp.; and Halsey, Stuart & Co. Inc. **Registration**—Expected about May 8. **Bids**—To be received at 11 a.m. on June 15.

**Southern Natural Gas Co.**
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

**Southern Pacific Co. (4/4)**
March 6, 1961 it was reported that this company plans to issue about $4,245,000 of equipment trust certificates. **Office**—165 Broadway, New York 6, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler. **Bids**—To be received on April 4 at noon (EST).

**Southern Railway Co.**
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

**Swift & Co.**
Feb. 7, 1961 it was reported that stockholders voted Jan. 26 to authorize the company to issue up to $35,000,000 of convertible debentures, and to increase authorized common from 6,000,000 to 8,000,000 shares to provide additional underlying shares for the proposed convertible issue. **Proceeds**—For expansion and working capital. **Office**—Union Stock Yards, Chicago 9, Ill. **Underwriter**—To be named. The last issue of debentures in October 1958 was placed privately through Salomon Bros. & Hutzler, New York City.

**Texas Bank & Trust Co. (Dallas)**
March 15, 1961, it was reported that stockholders are to vote April 13, on increasing the authorized $10 par stock to provide for sale of 50,000 shares to stockholders on the basis of one new share for each six shares held. **Price** — $25 per share. **Proceeds** — To increase capital. **Office**—Main and Lamar Streets, Dallas, Texas. **Underwriter**—None.

**Texas Gas Transmission Corp.**
Jan. 11, 1961 it was reported that this company plans to sell $10,000,000 to $15,000,000 of bonds in the third quarter of 1961. **Office**—416 West Third Street, Owensboro, Ky. **Underwriter**—Dillon, Read & Co., New York City.

★ **Thorough-Bred Enterprises, Inc.**
March 16, 1961 it was reported that this company plans to sell 100,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business** — Operates a breeding farm for thoroughbred horses. **Proceeds**—For building a barn, purchasing land and acquiring additional horses. **Office**—Biscayne Boulevard, Miami, Fla. **Underwriter**—Sandkuhl Company, Inc., Newark, N. J., and New York City.

**Traid Corp.**
Jan. 4, 1961 it was reported that this company is contemplating some new financing. No confirmation was available. **Business**—The company specializes in airborne photo instrumentation and manufactures aircraft motion picture cameras and accessory items. **Office** — Encino, Calif. **Underwriter**—Previous financing was handled by D. A. Lomasney & Co., New York City.

**Trunkline Gas Co.**
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $50,000,000 of bonds or preferred stock in September. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

★ **Union County Trust Co. (Elizabeth, N. J.)**
March 21, 1961 it was reported that common stockholders are being offered the right to subscribe for 43,050 shares on the basis of one new share for each 4.065 shares held of record Feb. 27, with rights to expire March 27. **Price**—$23.50 per share. **Proceeds**—To increase capital. **Office**—142 Broad Street, Elizabeth, N. J. **Underwriters**—Adams & Hinckley, and Parker & Weissenborn, Inc., both of Newark, N. J., and F. P. Ristine & Co., Elizabeth, New Jersey.

**Union Electric Co.**
Jan. 19, 1961 it was reported that this company plans to sell $20,000,000 to $30,000,000 of preferred in late 1961 **Proceeds**—For expansion of facilities. **Office** — 315 N. 12th Blvd., St. Louis, Mo. **Underwriter** — To be determined by competitive bidding. The last sale of preferred in November 1949 was underwritten by First Boston Corp.; Dillon, Read & Co., Lehman Brothers; White, Weld & Co. and Shields & Co. (jointly); and Blyth & Co.

**United Aircraft Corp.**
Feb. 15, 1961 it was reported that this company is considering issuance of $50,000,000 of bonds to replace a seven-year term loan. **Office**—400 Main St., East Hartford, Conn. **Underwriter**—To be named. The company has never issued bonds, but its last offering of preferred stock on Sept. 17, 1956 was underwritten by Harriman Ripley & Co., Inc., New York and associates.

**Universal Oil Products Co.**
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

**Vinco Corp.**
Feb. 20, 1961 it was reported that this company plans to sell $2,000,000 of convertible bonds. **Business**—The manufacture of precision parts and subassemblies for aircraft, missile and other industries. The company also produces guages and measuring instruments. **Proceeds**—For expansion and acquisition. **Office** — 9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City. **Registration** — Expected by late March.

**Virginia Electric & Power Co. (6/13)**
Jan. 17, 1961 the company announced plans to sell $30,000,000 of first mortgage bonds. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co. **Bids**—Scheduled for June 13 at 11 a.m. (EST).

**Waldorf Auto Leasing Inc.**
Jan. 16, 1961 it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock. **Price** — $3 per share. **Proceeds** — For general corporate purposes. **Office** — 2015 Coney Island Ave., Brooklyn, N. Y. **Underwriters**—Martinelli & Co., 79 Wall St., V. K. Osborne & Sons, Inc., 40 Exchange Place, First Atlantic Securities Co., 160 Broadway, New York City.

★ **Warner Brothers Co.**
March 22, 1961 it was reported that stockholders are to vote March 28 on increasing the authorized stock to 1,500,000 to provide for a 4-for-1 split and sale of up to 620,000 shares to the public to raise between $2,000,000 and $3,000,000. **Proceeds**—To repay loans incurred for recent acquisitions. **Office** — 325 Lafayette St., Bridgeport, Conn. **Underwriter**—Lehman Brothers, New York City (managing).

**Washington Gas Light Co. (5/3)**
Feb. 27, 1961 it was reported that this company plans to sell $12,000,000 of refunding mortgage bonds. **Proceeds**—To repay debt and for construction. **Office**—1100 H St., N. W. Washington 5, D. C. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; First Boston Corp.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc., and Stone & Webster Securities Corp. (jointly). **Bids** — Expected on May 3 at 11 a.m. (EST).

**Washington Natural Gas Co. (5/3)**
March 6, 1961 it was reported that this company plans to sell about 110,000 additional shares of common stock (par $10). To be offered for subscription by stockholders on the basis of one new share for each 10 shares held of record about May 3. **Proceeds**—To repay bank loans and for construction. **Office**—1507 Fourth Ave., Seattle, Wash. **Underwriter**—Dean Witter & Co., San Francisco, Calif. (managing).

**West Penn Power Co.**
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Dr., Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers, Eastman Dillon, Union Securities & Co. and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

**Western Union Telegraph Co.**
Feb. 28, 1961 it was reported that the FCC has approved the company's plan to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. in units of $100 of debentures and ten shares of stock. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph would purchase 250,000 shares of class B stock for $100,000 and WUI would sell $4,500,000 of debentures or bonds. **Office**—60 Hudson St., New York City. **Underwriter**—American Securities Corp. (managing).

**Wisconsin Power & Light Co.**
Jan. 19, 1961 it was reported that this company plans to sell about $6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters**—The last sale of preferred stock in May, 1958 was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

**Wisconsin Southern Gas Co.**
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office**—Sheridan Springs Road, Lake Geneva, Wis. **Underwriter** — The Milwaukee Co., Milwaukee, Wis. (managing).

# Commercial Bank Earnings Down From Year Ago

Net operating earnings of the 25 largest commercial banks across the country are running 3½% below those of last year, according to M. A. Schapiro & Co., Inc., investment bankers specializing in bank stocks. In the March issue of its *Bank Stock Quarterly*, the firm noted that in contrast 1960 net operating earnings for these major banks totaled $714.9 million, up nearly 14% from the previous year.

Turning to the 12 New York Clearing House Association banks, the bank stock firm estimated that net operating earnings for the first quarter now ending will approximate $83.6 million, or 6.6% below those for the first three months of last year. This is not necessarily indicative of how individual banks across the country are doing.

Despite the lower earnings predicted for the current quarter for the New York banks, which include eight of the country's 25 largest, these results will be the second highest for any first quarter on record, exceeded only by the first three months of last year.

In another article in the *Quarterly* entitled "U. S. vs. Bank Mergers," the firm discusses the significance of the recent suits filed by the Justice Department against two bank mergers and a holding company, charging violation of anti-trust laws.

"The determination of whether a monopoly exists, or whether trade is being restrained," said the firm "depends upon the given market for the commodity or service. Banking functions are not exclusive to commercial banks; a vast front of non-bank sources competes in the granting of loans and the acceptance of the public's money. For banking, therefore, the given market, the trade area and the relevant competition, especially for big banks, can be ascertained only by examining the entire complex of the finanial community."

The firm also comments on the effect of the Justice Department's action on the two mergers and two holding company proposals now pending in New York. The firm states that the proposed merger of Hanover Bank into Manufacturers Trust Company "is perhaps the most significant merger plan on the stage because it promises an early test of the meaning" of the statement by Attorney General Robert A. Kennedy when he said that size or expansion per se is not the reason for an anti-trust action.

# Businessman's BOOKSHELF

**Advantages in Taxes** — Including supplements on tax benefits available to owners of property threatened by condemnation and to persons investing in farm operations — National Institute of Farm Brokers, 36 South Wabash Avenue, Chicago 3, Ill., $10.

**Africa: Names and Concepts** — G. Etzel Pearcy — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 10 cents.

**Atomic Power**—Brochure—Power Authority of the State of New York, 10 Columbus Circle, New York 19, N. Y. (paper).

**Bank of Canada**—Annual Report of the Governor to the Minister of Finance—Bank of Canada, Toronto, Canada (paper).

**Companies Filing Annual Reports With the Securities & Exchange Commission** Under the Securities Exchange Act of 1934—Directory arranged alphabetically and by industry groups of the 31,712 companies required to file—Securities & Exchange Commission, 425 Second Street, N. W., Washington 25, D. C. (paper).

**Consumer Price Index** — A Short Description—U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C. (paper).

**Cumulative Financial Index**—Index to 450 U. S., Canadian and English financial publications covering period August through November, 1960—Financial Index Company, 1295 Madison Avenue, New York 28, N. Y. (paper), single copies $20 (it was previously indicated incorrectly that single copies of the publication were available for $10 each) — Also available on subscription.

**Eighteen Steps to More Profitable Consumer Promotions** — Booklet—A. C. Nielsen Company, 2101 Howard Street, Chicago 45, Ill. (paper), on request.

**France and the Economic Development of Europe, 1800-1914** — Rondo E. Cameron — Princeton University Press, Princeton, N. J. (cloth), $10.

**Freeman**, March 1961—Containing articles on Armaments and Our Prosperity; What Education Should Business Support?, Selected Facts in the British Nationalized Coal Industry; Changing Iron Ore Industry, etc.—Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y., 50¢.

**Gabon Republic**—Illustrated brochure on the people, and the economy — Press and Information Service, French Embassy, 972 Fifth Avenue, New York, N. Y.

**Guide to Investing in Brazil** — Brazilian Government Trade Bureau, 551 Fifth Ave., New York 17, N. Y. (paper), on request.

**History of Investment Banking in New England**—Annual report for 1960—Federal Reserve Bank of Boston, Boston, Mass. (paper).

**How to Lay Out a Parking Lot**—Planning aid for those concerned with the parking problem—Western Industries, Inc., Parking Gate Division, 2742 West 36th Place, Chicago 32, Ill.

**India Economic Newsletter**—Current Developments—Information Service of India, Embassy of India, 2107 Massachusetts Avenue, N. W., Washington 8, D. C.

**India** — Current Developments — India Economic Newsletter, Embassy of India, 2107 Massachusetts Avenue, Washington 8, D. C. (paper).

**Industrial Demands Upon the Money Market: Study in Fund Flow Analysis**—Wilson F. Payne — National Bureau of Economic Research, 261 Madison Avenue, New York 16, N. Y. (paper), $1.50.

**International Monetary Fund**—its Present Role and the Future Prospects—Brian Tew — International Finance Section, Department of Economics, Princeton University, Princeton, N. J. (paper), on request.

**Investment Companies**—A Statistical Summary, 1940-1960—National Association of Investment Companies, 61 Broadway, New York 6, N. Y. (paper).

**Investment Outlook for 1961** — Brochure—Economics Department, Bankers Trust Company, 16 Wall Street, New York 5, N. Y. (paper).

**Private Investment Abroad**: Public Policy and Commercial Considerations; Federal Tax Implications—Machinery & Allied Products Institute, 1200 18th Street, N. W. Washington 6, D. C. (paper), 50¢.

**Proposed Incentives to Investment**: A Brief Look at Some Policy Considerations—Machinery & Allied Products Institute, 1200 18th Street, N. W., Washington 6, D. C. (paper), 25¢.

**Pros and Cons of Compulsory Arbitration** — Theodore W. Kheel — New York Chamber of Commerce, 65 Liberty Street, New York 5, N. Y. (paper), on request.

**Recommendations for Amendments to the Internal Revenue Code** — Committee on Federal Taxation, American Institute of Certified Public Accountants—270 Madison Avenue, New York 16, N. Y. (paper).

**World Bank**—Statement of Activities July 1, 1960-Jan. 31, 1961—International Bank for Reconstruction and Development, 1818 H Street, N. W., Washington 25, D. C.

# Poor and the Rich

"Our progress in education over the last generation has been substantial. We are educating a greater proportion of our youth to a higher degree of competency than any other country on earth. One-fourth of our total population is enrolled in our schools and colleges. This year $26,000,000,000 will be spent on education alone.


President Kennedy

"But the needs of the next generation — the needs of the next decade and the next school year —will not be met at this level of effort. More effort will be required—on the part of students, teachers, schools, colleges and all 50 states—and on the part of the Federal Government.

* * *

"Too many state and local governments lack the resources to assure an adequate education for every child. Too many classrooms are overcrowded. Too many teachers are under-paid. Too many talented individuals cannot afford the benefits of higher education. Too many academic institutions cannot afford the cost of, or find room for, the growing numbers of students seeking admission in the Sixties."—President John F. Kennedy.

**"Too many state and local governments lack the resources?"**

**A study of the President's proposals seems to make it clear that he thinks all state and local governments "lack the resources." And in this he is quite in accord with the thinking of the "liberals" of the land.**

**What we should like to know is this. If all these local units are so lacking in resources, whence cometh the wealth of resources of the national government which the President and many others seem to believe all but limitless?**

## Techmation Corp. Common All Sold

Pursuant to a March 10 offering circular, First Philadelphia Corp. and Globus Inc., both of New York City, publicly offered and sold 87,500 shares of this Long Island City firm's 1¢ par common stock at $2 per share.

Techmation Corp. is in the business of custom designing, developing, modifying and/or manufacturing either partially or fully automated machinery and machine components for industrial production operations.

The proceeds, estimated at about $128,250, will be used for debt reduction, machinery and equipment, advertising and sales, research and development, and working capital.

## Benjamin White Opens

NEWTON CENTER, Mass.—Benjamin White is engaging in a securities business from offices at 105 Redwood Road. He was formerly with Richard J. Buck & Co.

## Form Salley Inv. Co.

ORANGEBURG, S. C.—Salley Investment Co., Inc. has been formed with offices at 155 Wall Street to engage in a securities business. Donald D. Salley, Jr. is a principal of the firm.

## Named Stockton Mgr.

STOCKTON, Calif. — Effective March 15, 1961, Robert Wilber has been appointed manager of the Stockton, Calif. office of Reynolds & Co., 301 East Weber Avenue. Edwin A. Robertson will remain in the Stockton office as a registered representative.

## J. A. Schreiber & Co. Opens in St. Louis

ST. LOUIS, Mo.—J. A. Schreiber & Co. has been formed with offices at 315 North Seventh St. to engage in a securities business. Officers are John A. Schreiber, Jr., President and Treasurer; and John A. Schreiber III, Vice-President and Secretary. John A. Schreiber Jr. was formerly Vice-President of Schreiber, Dail & Co.

## U. S. Components Stock All Sold

U. S. Components Inc., of New York City, offered and sold pursuant to a March 20 offering circular 75,000 shares of its 10¢ par common stock at $4 per share. The offering was underwritten by Arden Perin & Co. Inc., of New York City and Washington, D. C.

The nine-year-old company, which makes and sells precision electronic connectors and related assembly devices, will use the net proceeds, estimated at about $231,000, for debt reduction, machinery and equipment, tooling for new products, advertising, research and development, and working capital.

## Stone, Glass & Griffin

CHICAGO, Ill.—Stone, Glass & Griffin, Inc. has been formed with offices at 141 West Jackson Boulevard to engage in a securities business. Officers are Harry L. Stone, President; J. Joseph Griffin, Secretary; Walter Glass, Vice-President; and William Griffin, Treasurer. J. J. Griffin was formerly with Dempsey & Co. and John F. Fauls & Co.

## New Loewi Branch

KENOSHA, Wis. — Loewi & Co. Incorporated has opened a branch office at 624 Fifty-seventh Street under the direction of Harry D. Myers.

# WASHINGTON AND YOU

*BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL*

WASHINGTON, D. C. — Three years from now the odds are the people across the country will be speculating hot and heavy whether the Republicans at their upcoming Presidential convention are going to choose Governor Nelson Rockefeller of New York or Senator Barry Goldwater to oppose President Kennedy.

Unless some sensational development takes place, President Kennedy will be the standard bearer of the Democrats. The way things are shaping up far in advance, but obviously subject to change, either the New York Governor, or the conservative Senator from Arizona, will be Mr. Kennedy's opponent.

Of course Governor Rockefeller must be reelected Chief Executive of New York between now and the next GOP convention, if he hopes to remain a powerful contender.

These things are pointed up to tell of the struggle that is going on behind the scenes in the Republican party. In reality it is part of the battle between the Western Senator and the liberal Eastern Governor. It is going to be a slam-bang affair and will be interesting to watch from the political sidelines.

**Goldwater In Demand**

Chances are extremely slim that a real, staunch conservative of either major party will be nominated for President in the forseeable future. Yet there are strong signs that millions and millions of Americans would like to see a spade-calling conservative nominated and thus given a chance to seek the Presidency of the United States.

After Vice-President Nixon went down to defeat, it was said here that the biggest Republican name on Capitol Hill during the 87th Congress would be the handsome Senator from Arizona.

**Today the articulate Westerner is unquestionably receiving more invitations to speak than any one, perhaps, other than President Kennedy himself. Every day the Senator's staff receives a fresh batch of invitations from all parts of the country.**

A few days ago a group of business paper editors that plan to hold a meeting with some Canadian editors in Washington in April sought to get Senator Goldwater to address them. His assistant assertedly said that he would be glad to talk, but that night he is scheduled to speak in Georgetown, Ky.

He is turning invitations down by the hundreds because it is impossible for him to speak every day and still be a full-time Senator. He is just back from Texas where he drew tremendous cheers.

Senator Goldwater spoke in Texas in behalf of the candidacy of John G. Tower, the only Republican among the 71 men and women running in a special election to see who is going to fill the seat vacated by Vice-President Lyndon B. Johnson. The "highman" will be the winner in the special election.

**Barred by "Old Guard"**

Because Senator Goldwater is expressing the views of the ultra-conservative, Old Guard Republicans, he is being rejected for membership in the "Republican Leadership Conference," some of the group's leaders insist that he isn't a Republican leader.

An internal scrap within the Republican national hierarchy cropped up a few days ago when a few details leaked out of the hush-hush-meeting on Capitol Hill. The Republican Leadership at that meeting cast aside both Senator Goldwater and Representative William E. Miller of New York, chairman of the GOP Senatorial and House Campaign Committees, respectively.

**Apparently Senator Styles Bridges of New Hampshire, chairman of the Republican Senate policy committee, was the primary leader of the group championing membership for Senator Goldwater and Representative Miller. It was at the insistence of the New Englander that the Republican national hierarchy decided to invite the two men to occasional meetings.**

One qualified source close to Senator Goldwater maintains that Senator Thomas Kuchel of California is one of those opposing Mr. Goldwater for attending GOP policy making huddles. The source, which declined use of his name, made this observation:

"The action, of course, is a squeeze play to keep Senator Goldwater from gaining knowledge of the top secrets of the party, and an attempt to throw up a roadblock on his mounting nationwide popularity. Senator Kuchel is playing several games. His paramount interest is reelection to the Senate in 1962. Mr. Kuchel, of course, is a Chief Justice Earl Warren man, not a Nixon man at heart. He was appointed by the then Governor Warren in 1952. Subsequently he won the senatorial election in 1954.

**"Kuchel, in hitting Goldwater, also is helping his liberal Senate colleagues like Senators Javits and Keating of New York; Senator Case of New Jersey, and Senator Aiken of Vermont, to name only a few. In fact, it was Javits who recently led an unsuccessful fight to unseat Goldwater as GOP senatorial campaign committee chairman."**

The Republican leadership conferences are usually held in the offices of Senator Everett M. Dirksen of Illinois. The explanation at Senator Dirksen's office is that Senator Goldwater and Miller never were members of the group invited to the White House of huddles while President Eisenhower was Chief Executive.

**New Situation Indicated**

The Goldwater-Miller faction stress that Mr. Eisenhower's departure from 1600 Pennsylvania Ave. completely changes the situation, that they have been duly elected to their respective campaign committees by all Republicans in their respective wings of the Capitol, that they are making countless speeches on behalf of the party, and are recognized GOP leaders.

**Senator Goldwater's friends in particular are beginning to strike back at the Capitol Hill leadership, and demand that the Arizona Senator be included in the future huddles. The House Republican leader is Representative Charles A. Halleck of Indiana. Senator Thruston Morton of Kentucky is Chairman of the Republican National Committee.**

The Goldwater supporters have a pretty strong argument on their side. They point out that he is the most sought after Republican speech-maker in Congress; that he has made more speeches for the party than any single Republican since the Presidential election, and other than Mr. Nixon, he was the only Republican whose name was placed in nomination for the Presidency at the Chicago convention last July.

There are growing indications that there is marked interest in Republicanism and conservatism on campuses across the nation. When Senator Goldwater speaks to young audiences there has been rapt attention and Goldwater banners and placards waving.

Senator Goldwater and Representative Miller, meanwhile, despite the claim of the Republican Leadership Conference that they are not GOP leaders, are spearheading arrangements for a major GOP $100-a-plate dinner honoring Republican members of Congress to be held in Washington June 1 at the Armory.

**Mr. Nixon Withdraws**

The Nation's Capitol read with interest the announcement Mr. Nixon made in ruling himself out of the California gubernatorial race. Republicans here feel that Mr. Nixon chose a wise course. California has three registered Democrats for every two registered Republicans.

**Even if Mr. Nixon had won the California Governorship, it probably would have been by a slim margin. Governor Rockefeller on the other hand has a better chance of winning by a substantial margin in his reelection bid.**

Obviously it is too early to tell what is going to happen in the GOP Presidential picture in 1964. However, at this time, a battle is being waged between Senator Goldwater and Governor Rockefeller.

*[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]*


**"—and I take great pleasure in presenting Mr. Cackles, the famous financial seer, who nine times out of ten is tight—er—right!"**

## To Be Rittmaster, Voisin

Effective March 23, Arnold J. Adelberg will retire from partnership in Rittmaster, Adelberg, Voisin & Co., 250 Madison Ave., New York City, members of the New York Stock Exchange, and the firm name will be changed to Rittmaster, Voisin & Co. On the same date Sally Voisin, Nan Haskell and Leon M. Gecker will become limited partners.

## E. H. Stern to Admit

Effective April 1 Herbert Schneider will become a partner in E. H. Stern & Co., 20 Broad Street, New York City, members of the New York Stock Exchange.

## Metropolitan Trading

WASHINGTON, D. C. — Metropolitan Trading Corporation is engaging in a securities business from offices at 1835 K St., N. W. Jay B. McGann is a principal.



# COMING EVENTS

*IN INVESTMENT FIELD*

**March 26-31, 1961 (Philadelphia)**
Institute of Investment Banking, Wharton School of Finance & Commerce.

**April 7, 1961 (New York City)**
New York Security Dealers Association annual dinner at the Hotel Commodore.

**April 12-14, 1961 (Houston, Tex.)**
Texas Group Investment Bankers Association of America 26th annual convention at Shamrock Hilton Hotel.

**April 21, 1961 (New York, N. Y.)**
Security Traders Association of New York annual dinner at the Grand Ballroom of the Waldorf Astoria.

**April 29-May 3, 1961 (Richmond, Va.)**
National Federation of Financial Analysts Societies 14th annual convention at the John Marshall Hotel.

**May 1-3, 1961 (Philadelphia, Pa.)**
National Association of Mutual Savings Banks 41st annual conference at the Penn-Sheraton Hotel.

**May 8-9, 1961 (St. Louis, Mo.)**
Association of Stock Exchange Firms — Spring meeting of the Board of Governors.

**June 15, 1961 (New York City)**
Investment Association of New York annual outing at Sleepy Hollow Country Club.

**June 22-25, 1961 (Canada)**
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

**Oct. 9-10, 1961 (Denver, Colo.)**
Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

**Oct. 15-18, 1961 (San Francisco, Calif.)**
American Bankers Association annual convention.

**Oct. 16-20, 1961 (Palm Springs, Calif.)**
National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

**Nov. 26-Dec. 1, 1961 (Hollywood, Fla.)**
Investment Bankers Association Annual Convention at Hollywood Beach Hotel and the Diplomat Hotel.

**Dec. 4-5, 1961 (New York City)**
National Association of Mutual Savings Banks 15th annual mid-year meeting.

**May 6-9, 1962 (Seattle, Wash.)**
National Association of Mutual Savings Banks 42nd annual conference at the Olympic Hotel.

**Sept. 23-26, 1962 (Atlantic City, N. J.)**
American Bankers Association annual convention.